

Northampton middle england character prosperity & growth

straight answers L Austin-Crowe 0604 34734

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.6; FRANCE Fr 3.6; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.6; PORTUGAL Esc 25; SPAIN Ptas 80; SWEDEN Kr 2.25; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

Air disaster: 276 killed

AT LEAST 276 people died when a DC-10 Jumbo jet crashed and burnt out near a caravan park shortly after taking off from Chicago's O'Hare international airport.

Egypt regains El Arish

Egypt regained the Sinai town of El Arish—the first territorial gain to emerge from the peace treaty with Israel—amid emotional scenes.

Gas blast kills 2

Two women were killed in a gas explosion caused by a gas build-up demolished their home. Emergency services were on their way to the scene after a similar explosion demolished the house next door.

Iran leader shot

Gunmen shot and seriously wounded Iranian Muslim religious and political leader Hojatoleslam Hashemi Rafsanjani in Tehran. His condition was described as serious but not critical.

U.S. execution

Murderer John Spenklink, aged 30, died in the electric chair at Florida State Prison after the U.S. Supreme Court turned down a last-minute appeal to postpone the execution.

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

More main groups raise oil product wholesale prices

Most main oil companies yesterday followed British Petroleum's lead and increased wholesale prices of petrol and other oil-based products. Mobil is to ration petrol even more stringently.

Shell, Esso, Texaco and Mobil have increased wholesale petrol prices by between 4.1p and 5.5p a gallon. The increases, from midnight last night, will mean an extra 5p-6p on pump prices.

Milk price to increase by 1 1/2p a pint

MILK PRICES are to increase by 1 1/2p a pint, Mr. Peter Walker, the Agriculture Minister, announced yesterday.

Move to unseat Furness board

EUROCANADIAN Shipholding, the private Canadian-owned shipping group based in Switzerland and Bermuda, which in 1978 fell foul of the Monopolies Commission over its hold-up of a share stake in Furness Withy, has opened a vigorous campaign to influence the affairs of the British shipping group again.

CONTENTS table listing various news items and their page numbers.

Diesel fuel supplies warning

By Sue Cameron and Paul Taylor

THE MAJOR oil companies yesterday admitted that stocks of diesel fuel are running low and they warned that shortages are likely to occur throughout the summer.

Exxon offer for Reliance set at \$1.1bn

EXXON CORPORATION underlined its determination to seek control of Reliance Electric yesterday by announcing that it was prepared to make a \$1.1bn (£530m) cash tender offer to secure control of the Cleveland based company.

GKN £40m bid for Sheepbridge

By TIM DICKSON

GUEST, Keen and Nettlefolds, one of Europe's biggest engineering groups, last night launched a surprise £40m bid for Sheepbridge Engineering.

Expanding

At the same time it has been expanding overseas mainly in the U.S. and continental Europe.

Equities fall 5.2 further; Gilts quiet

EQUITIES lost further ground with the FT index falling 5.2 to 506.4 representing a loss of 15.3 on the week. Business was limited.

WALL STREET closed 1.38 down at 836.28

WALL STREET closed 1.38 down at 836.28. U.S. INFLATION increased last month with consumer prices rising an average 1.1 per cent.

HEWLETT-PACKARD, the U.S. computer company, is to invest £6m in a centre at Wokingham in Berkshire to produce software for the company's worldwide manufacturing divisions. Page 4

YUGOSLAVIA and the UK are expected to sign a contract next week for Davy Loewy to build a £200m steel mill near Belgrade. Back Page

CIVIL SERVICE unions will be asked next week to bring in an overtime ban throughout the service in response to the Government's decision to freeze recruitment for at least three months. Back Page

A. G. STANLEY, the home decorating chain, has made its expected bid for Morris and Blakey Wall Papers—an agreed £46m—and now controls 55 per cent. Page 20

WHITBREAD pre-tax profit in the 53 weeks to March 3 rose by £10.83m to a record £54.35m, on sales 15 per cent ahead at £659.9m. Page 20 and Lex

UNILEVER is making an agreed £32m bid for the Californian Lawry's Foods group which has recently been in bid talks with H. J. Heinz. Lawry's is a high margin speciality foods business with sales last year of £34m. Page 20

APPOINTMENTS: 24-17, 14, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1

PROPERTY: 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1

OFFER FOR SALE: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30

ANNUAL STATEMENTS: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30

AN OFFER FROM M&G UNIT TRUSTS. Advertisement for M&G unit trusts with details of various funds and their performance.

OVERSEAS NEWS

Egypt and Israel take tough line in West Bank talks

BY DAVID LENNON IN BEERSHEBA

EGYPT AND ISRAEL made tough opening statements for and against Palestinian independence when negotiations on autonomy for the occupied West Bank and Gaza Strip opened here in Beersheba yesterday. Mr. Cyrus Vance, U.S. Secretary of State, only too well aware of the contradictory positions of the two countries, appealed to all sides to "suspend acts and statements of hostility which could only make the work here more difficult."

Hardline Ayatollah shot in Tehran

BY ANDREW WHITLEY IN TEHRAN

A HARDLINE member of Iran's ruling Revolutionary Council, Ayatollah Hashemi Rafsanjani, was shot and seriously wounded yesterday afternoon. He was the third senior aide of Ayatollah Khomeini to have been the victim of an assassination attempt in the past month. A caller to the newspaper Bamdad claimed responsibility for the attack on behalf of the mysterious Forqan group, a small Muslim terrorist organisation committed to eliminating the role of the clergy in Iranian society. Forqan claimed responsibility for the other two attacks in which another senior cleric, Ayatollah Mofateh, and a former armed forces chief General Qarani died.

Sanctions warning

BY QUENTIN PEEL IN JOHANNESBURG

PROSPECTS OF reviving the Western effort to negotiate an internationally acceptable settlement in Namibia (South West Africa) seem doomed to failure, following the expulsion of South Africa from the UN General Assembly debate on the territory. As Mr. Richard Luce, the British junior minister at the Foreign Office arrived here to try to renew the initiative, Mr. P. Botha, the South African Foreign Minister, said it was "highly doubtful" whether a settlement could still be achieved. In an interview with the South African Broadcasting Corporation, Mr. Botha warned that the danger of sanctions being invoked against South Africa was growing, but said that while sanctions could hurt the country, they would not break it. South Africa's strategy over Namibia has suddenly become much more openly aggressive, according to Western diplomats.

NOTICE

To the holders of the Floating Rate U.S. Dollar Certificates of Deposit due 24th November, 1981 of:

The Sumitomo Bank, Limited

Ground Floor, DBS Building, 6 Shenton Way, Singapore 1.

We hereby certify that the rate of interest payable on the above-mentioned certificates of deposit for the interest period beginning on 24th May, 1979 and ending on 24th November, 1979 is 1 1/4 per cent. per annum.

DBS-DAIWA SECURITIES INTERNATIONAL LIMITED



Uniformity in Peking

Chinese leaders wary of Western styles

By John Hoffmann in Peking

THE NUMBING conformity of Chinese dress could leave young people without a sense of direction, says a writer in China Youth, a magazine dedicated to the reinforcement of Communist ideology in the young. The article renews the controversy over "long hair and bell-bottomed trousers," selected recently by Chinese officials as dangerous signs of the corruption of youth by Western influences. Even Vice-Premier Deng Xiaoping, the leader of China's modernisation and ideological liberalism, is reported to have been worried by the attraction of stylish grooming which threatened to shift young people's attention away from the development of socialism. Changes in official Chinese policy are often hard to detect, since the leadership tends to speak softly while carrying a big stick, but the appearance of the China Youth article may signal a new preparedness to tolerate superficial individualism. "The length of a person's hair and the width of their trousers are not a reliable guide to the soundness of their ideology," says the writer, Guo Siwen. "Nobody should be judged solely on appearance. Mr. Guo's remarks may have been anticipated by Chinese leaders facing the realisation that modernisation will go more smoothly if the people are a little happier. Last month the Government invited Pivot Point International (PPI), a Chicago-based worldwide hairdressing education company, to demonstrate Western techniques to Chinese hairdressers in Canton, Shanghai and Peking. The company hopes to sell audio-visual "training packages" to China for use in training colleges. At the Peking demonstration about 400 Chinese hairdressers, some of whom had styled foreigners' hair before 1949, when Communist austerity made their art unnecessary, watched fascinated as a dozen visiting experts trained the heads of a group of Peking shop-girls and waitresses. The models were solemn, a little apprehensive about this unprecedented treatment. Their eyebrows had been plucked, their faces creamed and lipstick dabbed. Then, as the audience murmured and applauded, their hair was permed, braided, coiled, teased, threaded with silver ornaments and chopped into breezy tennis-court styles. A few months earlier the French designer, Pierre Cardin, had been in China, showing a range of men's and women's clothes which he said were created to suit the Chinese character. While few Chinese could afford to dress in clothes by Cardin, more and more of them are showing an interest in fashions which depart from that sartorial cliché, the Mao suit. In Shanghai, China's pre-setting city, tailored jackets remind foreigners that Chinese women indeed have waists. Shop windows display fitted blouses, elegant skirts and high-heeled sandals with narrow straps. Designs are more varied and colours gayer than in sombre Peking. In Shanghai, men are appearing jauntily outfitted in Western-style sports jackets which they can buy in the department stores for 25 yuan (about \$7). The fit is not quite smart, but the wearers are clearly proud of themselves. The young blades might agree with Guo Siwen that people should not be judged solely on appearance, but they obviously believe that appearance is important to their own self-regard. And the nation's leaders may have conceded that there is no harm after all in letting young people emulate the fashions they see in foreign films and on the hundreds of thousands of tourists who share their streets.

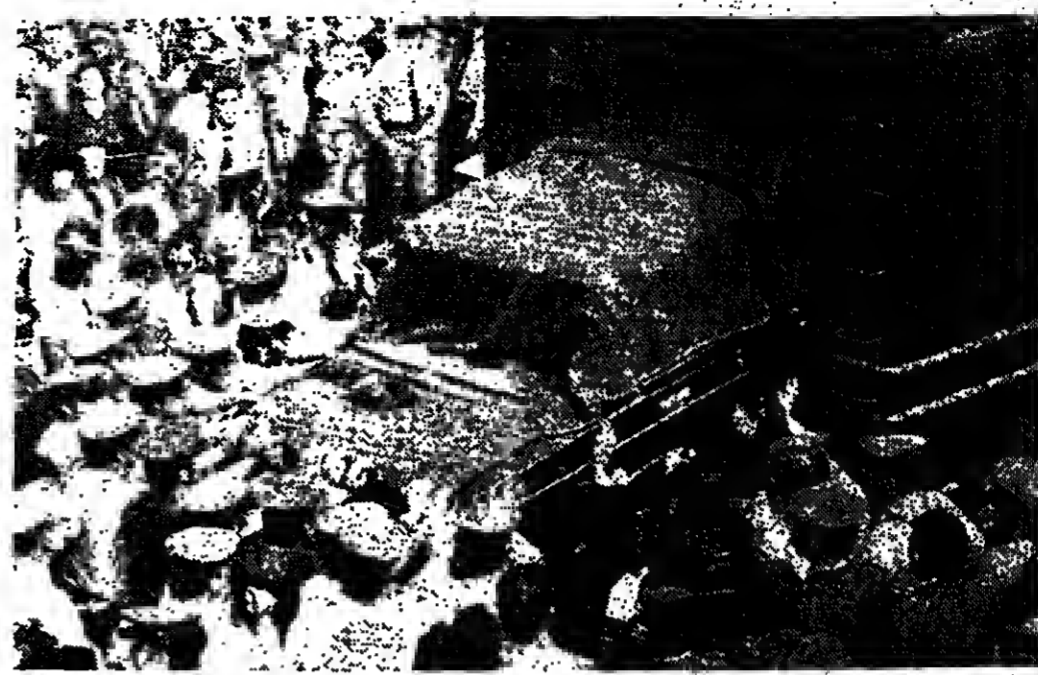
Basques claim army killings

BY DAVID GARDNER IN MADRID

A LEADING army staff officer and three aides were assassinated in Madrid yesterday morning in the worst guerrilla attack in Spain since 1975. A youth was also shot dead by police in the hunt which followed the assassinations, while in Seville a police inspector and an alleged member of the shadowy terrorist organisation GRAPO died in a shoot-out. This brought the death-toll for the day to seven. Lt-Gen. Luis Gomez Hortiguera and his aides, Col. Juan Avalos Gomez and Col. Agustin Laso Corral, and their driver, Private Luis Gomez Borrego, were killed yesterday morning by two unidentified gunmen while on their way to work. Eyewitnesses said that two men in overalls approached their car, opening fire with machine guns before throwing in two hand grenades, one of which exploded, blowing the roof off the car. The three officers died instantly, and their driver shortly after reaching hospital. Responsibility for the attack was claimed by the Basque Nationalist guerrilla organisation ETA-Militar in a phone call to the Madrid daily El Pais. This was followed by calls to Basque newspapers, which said that the organisation would be issuing a full communique later in the day. The 52 shells recovered from the scene of the attack were of the 9mm parabellum type frequently used by ETA, and eyewitnesses positively identified two leading ETA-Militar members from police records. Eleven military men have died in terrorist attacks since

last July, and 59 people have been killed in political violence this year. Yesterday's killings follow a two-day Parliamentary debate on law and order, when the Government pushed through the renewal of special anti-terrorist legislation, in force since last autumn, in the face of vigorous opposition from the Socialists, Communists and Nationalists. Sr. Manuel Fraga, MP for the neo-Francoist Coalicion Democratica called for army intervention in the Basque country to end the political violence, while Basque Nationalist spokesmen maintained that the anti-terrorist measures, as well as being unconstitutional, meant the effective occupation of the Basque country by para-military forces, and the escalation of violence. Sr. Agustin Rodriguez Sahagun, the Defence Minister, announced that ceremonies to commemorate Armed Forces Day tomorrow would be cancelled, except in Seville where a "homage to the Spanish flag" will be held today and a military parade tomorrow.

Last year Neo-Fascists used the occasion to mount a demonstration against both the Government and the Opposition. The extreme sensitivity of the Spanish political situation this weekend more than accounts for the strong Opposition condemnation of the attack. Some members of the Socialist Party, Spain's main Opposition force, believe that there is a danger of a backlash from the Right unless the wave of violence is checked, and a solution negotiated in the Basque country.



The car in which the four army officers were killed is loaded into a lorry with the bodies still inside

Sohio drops oil pipeline project

BY STEWART FLEMING IN NEW YORK

STANDARD OIL of Ohio (Sohio), British Petroleum's U.S. subsidiary, has formally and finally decided not to proceed with the proposed \$1bn pipeline from Long Beach, California to Miland, Texas. The company announced yesterday that its board had "unanimously reaffirmed" the decision announced on March 13 to abandon the project, which has been delayed by regulatory permit procedures. The March decision was fiercely attacked by California's Governor, Mr. Jerry Brown. Some politicians reacted sharply to Sohio's decision. Senator Henry Jackson, said Sohio's move was irresponsible and based "totally on its balance sheet, without regard for the interests of the United States." Senator Jackson's Energy Committee, along with

the Energy Department, had recently launched a fresh effort to help remove obstacles that have plagued the pipeline project.

Governor Brown blamed the delays on the company itself. He said yesterday that "once again, the good faith of Sohio and their parent corporation, British Petroleum, is put in question."

The pipeline seems to have been finally killed by the changing economics of oil production and distribution on the West coast.

Mr. Alton Whitehouse, the chairman of Sohio, said yesterday: "Sohio has studied the economics of the project and analysed the impact of events of the past few months on U.S. crude oil supplies, particularly on the West Coast. Today the project's economics are margin-

ally at best, and do not support the inherent risks in the project. Petrol consumption in California has risen sharply recently, as supplies of low sulphur crude oil from Iran

have been reduced. As a result, California has been using increasing amounts of Alaskan crude and refiners are planning to refit refineries to enable them to process more of the Alaskan oil.

French speed limits plan

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government yesterday promised a more rigorous enforcement of speed restrictions for cars and commercial vehicles in its campaign to save energy. But plans for a new economy car programme and energy savings on heating for buildings and industry, were put off until the middle of next month. Officially, this was to allow the

French to make more impact with their detailed measures at the two international meetings to be held towards the end of June — the European Council meeting in Strasbourg on June 21 and the Tokyo summit. But it has not escaped comment that the proposals, some of which may be unpopular, will not now be made public until after the European elections.

Fighting at Turkish convention

By Metin Munir in Ankara

PRIME MINISTER Bulent Ecevit had to appeal for calm to stop a fight during the convention of his social-democratic Republican Peoples Party (RPP) here yesterday. While Mr. Ecevit is assured of being re-elected chairman the convention has shown that there is considerable opposition to and disappointment with his 17 month old administration. The fight broke out between spectators supporting Mr. Ecevit and others before the second day of the convention—held at a covered basketball stadium where the temperatures are tropical—commenced. From the spectators' seats the exchange of blows spilled onto the floor where Mr. Ecevit and his wife sat. Several hundred people were involved.

Norway vote

NORWAY'S Storting (parliament) voted yesterday to allow petroleum exploration of the country's Northern and Central coast, starting in the summer of 1980. Until now, no exploration licenses have been granted in Norwegian waters north of the 62nd parallel, Fay Gester writes from Oslo.

EEC offers £3.5bn to ACP

BY MARGARET VAN HATTEM IN BRUSSELS

EEC FOREIGN MINISTERS yesterday made a £3.5bn offer to the 17 African, Caribbean and Pacific nations party to the Lome Convention. The money would cover loans and grants for development projects and export guarantees under a successor to the convention, which expires next year. But the ACP countries, who are seeking between £7.5bn and £9bn appeared likely to reject the offer, at least initially. Hopes that the new convention might be agreed this weekend are fading. Although working groups were reported to be making progress on technical aspects of the new convention—guarantees on export earnings under the

Stabex scheme, financial co-operation, financial guarantees for mineral projects—neither side appeared to have a common position on the question of money.

The EEC side proposed late in the afternoon that total finance available under the new convention should be 5.1bn units of account (£3.5bn), of which 4.5bn units of accounts would be channelled in loans and grants through the European Development Fund and 0.6bn in loans through the European Investment Bank.

But the proposal appears to have been put forward largely at the insistence of France which, about to relinquish its presidency of the Council of

Ministers next month, is anxious for an early settlement. Several other member states were reported to be unhappy with the proposal.

Moreover, the EEC states have not yet decided how their contributions are to be divided up among them, and are still juggling with different formulae which would reduce the size of the British contribution without bearing too heavily on any other member state.

The ACP, for their part, are not agreed on how much they want nor how much they expect to get. They withdrew from negotiations yesterday evening to consider the EEC offer, and were expected to resume within a few hours to give their reply.

UNCTAD main issue unresolved

BY DANIEL NELSON IN MANILA

AFTER almost three weeks of the UNCTAD conference the developing countries have still failed to produce a working resolution on the conference's central issue—the redistribution of wealth from the richer to the poorer nations of the world. With only a week to go, the industrialised countries are planning to break with tradition and table their own resolution in order to give the committee a working document and get negotiations under way. This would be a move unprecedented

in UNCTAD conferences, where the normal procedure is for the industrialised and developing countries to produce resolutions at the same time. The basic cause of the developing countries or Group of 77's failure to agree on a draft resolution was an attempt by Costa Rica to raise the issue of the supply of cheap energy to the Third World's non-oil producers.

This was opposed by most other members of the Group, many of whom are anxious not

to fall out with major oil producers. Even if a last-minute compromise is reached on a draft resolution, the delay means that negotiation will be squeezed into the final few days and late-night sittings—a development which now looms for several issues.

REUTERS adds—Arab oil exporting nations warned that they could no longer accept the present ownership structure of the world's bulk shipping fleets—particularly of tankers.

Irish bank officials lift threat

SOME OF the gloom surrounding Irish industry, faced with a continuing postal strike and the failure of the country's pay pact lifted today with the news that bank officials were not to go ahead with their threatened ban on sterling contracts, writes our Dublin correspondent.

The ban was to have taken effect from Monday, in support of a claim for extra work because of the extra work the officials say is involved since the break between the Irish and British pound.

The officials accepted a proposal from the Minister for Labour, who intervened in the dispute, to have an independent assessment of their claim for an increase in salary.

The officials have accepted the payment of a 4 per cent offer by the banks. A spokesman said they had accepted the proposal because it was a significant improvement and because of the Minister's stress on the gravity of their proposed action.

A ban on sterling transactions would have seriously impeded trade between the two countries, and cause difficulties for tourists coming to Ireland from the UK.

Approval for Harriers

Two congressional committees have voted \$190m in next year's defence budget to continue U.S. development of a new version of the British Harrier jump jet, in defiance of the Carter Administration's proposal to kill it on the grounds that the U.S. already has more types of new aircraft than it can afford. David Buchan writes from Washington. The Senate Armed Services Committee, in approving a \$400m weapons bill, this week followed the earlier action of a House committee in including money to continue engineering research on the AV8B version of the Harrier, which would be flown by the U.S. marine corps.

Britain has already sold AV8A Harriers to the marines, and British companies, including Rolls-Royce, stand to gain up to \$1.5bn of the work that would go into the \$5bn programme for the AV8B version, to be assembled in the U.S.

El Salvador move

Members of the Popular Revolutionary Bloc (BPR) ended their occupation of several churches yesterday after the Government threatened to call in troops under the state of siege regulations. Reuters reports from San Salvador. They still hold five hostages, including the ambassador at the French embassy. Yesterday Venezuela announced that it had asked the Vatican to mediate over its embassy, also still held by the BPR.

Swiss surplus

The Swiss National Bank has reduced substantially its former estimate for last year's balance of payments surplus on current account. The Bank, which in its annual report had predicted a record surplus of more than SwFr6bn (£2.52bn) for 1978, now anticipated that the figure will be of only about SwFr6bn (£2.42bn). This would be under the 1977 surplus of SwFr7.27bn. A further decline in the surplus is foreseen for the current year, writes John Wicks in Zurich.

New Finnish coalition

It is now practically certain that a new four-party left-centre Finnish coalition cabinet commanding a majority in Parliament will be formed this morning. Lance Keyworth writes from Helsinki. The new Prime Minister will be Mr. Mauno Koivisto, a Social Democrat and Governor of the Bank of Finland. The two left-wing parties in the new Government will be the Communist Democrats and the Communists. The non-socialist members will be the centre (formerly Agrarian) and Swedish Peoples' parties.

Bhutto widow chosen

Begum Nusrat Bhutto, widow of Pakistan's hanged former leader Zulfikar Ali Bhutto, was yesterday confirmed as the new permanent chairman of the Pakistan Peoples' Party first founded by Mr. Bhutto in the 1960s. Chris Sherwell reports from Islamabad. Begum Bhutto, who is held under close guard in a police camp near Rawalpindi, faces proceedings to disqualify her from politics.

Nepal resignation

Nepal's Prime Minister K.P. Sharma Oli resigned yesterday in a move which may help reduce tension after anti-government riots in the capital, Kathmandu, Reuters reports.

South Korea

A table in the FT survey of South Korea on April 2 inadvertently suggested a link between Samsung Industrial Company and ILC Corporation. The two companies are in no way associated and we apologise for the error.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$360.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices.

EUROPEAN NEWS



Mr. David Lytton Cobbold, Liberal candidate for Hertfordshire campaigning in Chorley Wood

Impeccable, Liberal—but little chance of winning

BY DAVID WALKER

"THE EUROPEAN elections? Oh dear, it's always elections," says the customer in the Rickmansworth florists as she glances at the campaign newspaper thrust into her hand. But, looking anxiously at the hovering rain clouds and worrying whether his voice will last the day, David of Knebworth is already outside to find another taker for his eight-page tabloid, Focus Europe, while his poster-decked "Euro-Bus" waits nearby.

The Honourable David Lytton Cobbold is the Liberals' hope for the Euro-constituency of Hertfordshire. The title David of Knebworth is used when he takes to the jousting field on horseback at his family home, Knebworth House. More than a quarter of a million people flock to the Tudor and Victorian gothic building and its surrounding parkland each year.

The estate is also the site for the most successful open-air pop concerts in Europe — Led Zeppelin is the star attraction at this summer's Knebworth spectacular. In the City, the 41-year-old Eton and Trinity, Cambridge-educated son and heir of former Bank of England governor and Lord Chamberlain, Lord Cobbold, is also well known. A successful career with Bank of London and South America, whose youngest head office manager he became at the age of 28, was interrupted to enable him to establish his family home as the family business.

Running Knebworth House still takes much time, but he returned to the world of finance after two years and seven weeks ago had a senior post with Finance For Industry.

That was given up to concentrate on electioneering. For while there may be doubts about how seriously the electorate is taking the Euro-poll, and more well-founded doubts about the British Liberals' ability to win a single European Assembly seat, David Cobbold takes it all very seriously indeed.

"I firmly believe it is possible for us to win the seat in Hertfordshire," he tells a meeting of party faithful at Chorleywood, disregarding the fact that the seven Westminster consti-

tencies to the Herts Euro-constituency (the county's other two Westminster divisions are in Bedfordshire for Euro-poll purposes) musted only 59,826 Liberal votes between them on May 3, 14.3 per cent of the total. That was over 20,000 down on



October, 1974 (an election which saw David Cobbold's first active political foray as a last-minute Liberal candidate in staunchly Labour Bishop Auckland) when Hertfordshire Liberals took 21.2 per cent in these seven seats.

At nine o'clock, the Euro-Bus is on the campaign trail, travelling precariously fast down a wet A1(M) to the leafy suburb of Croxley Green. A quick coffee with local helpers, and then it's down to the shops. The rain stops as the message hlares out from the bus's loudspeaker. "Use your Euro-vote on June 7: vote Liberal on June 7" — and David Cobbold eyes the throat pastilles in front of him.

A desultory group of shoppers watches as the bus stops and its early closing day; not many people are about. But a surprising number want to hear what he has to say and take the proffered Focus Europe, with its factual account of European affairs alongside the political messages and photographs of Mick Jagger at Knebworth. Few refuse a copy. Three shopping-parades later, and 20 vote-wielding sixth formers, studying political

affairs at the local comprehensive school, are waiting to listen politely to a diatribe on the European parliament. They ask intelligent questions about agricultural policy, national identities within a pan-European structure and the positions of the political parties, receive intelligent answers, and wish him luck.

The shops beckon again. In Rickmansworth High Street, the Euro-Bus is moved on by police to be parked less conspicuously; a peonier proud to be "on the extreme left of the Labour Party" is argued with politely as he attacks Eton and Cambridge privilege and David Cobbold admits his impeccable pedigree.

All the time, the message is the same: Europe is vital for our future and especially our children's; the election will give ordinary people better access to the EEC's institutions; the issue is not the choice of a new government or prime minister but of the best man to represent Hertfordshire; you can afford to vote differently from May 3.

A slightly different message can be heard getting nearer: Derek Prag, Londoner, ex-EEC civil servant, and the man who, barring a miracle, will win Hertfordshire for the Tories, is also campaigning in Rickmansworth. David Cobbold halts the traffic, runs to the Tory car to shake hands with the opponent he has met once before, and is off again speeding in and out of the shops.

And it's back to Knebworth for a televised discussion with that dove of the stately home business, the Marquess of Bath, and Mr. David Hicks on the problems of stately home ownership.

"I suppose you've got the usual Liberal and Socialist against you," says one of the distinguished co-interviewees on learning of Knebworth's owner's Euro-ambitions. Outside, preparations are in hand to pit King Arthur against him; a new Walt Disney film is to have its promotional launch at Knebworth in the morning, and the round table has arrived.

There have been no fireworks, no moments of passion. David Cobbold is trying to sell a vision of a United Europe with maximum devolution to regional and local levels. At times it is a very romantic vision: "I like the idea of having Aquitaine again."

He is trying to devote three days to each of the seven divisions of the Euro-constituency. The following day, after an appearance in front of the Walt Disney cameras, he's off to the film studio-filled suburbs of the south-east — or, as he says to one inquirer, "Estrée and Borehamwood via Disneyland." Those southern suburbs are very different from the prosperous industrial towns in the centre of the constituency and different again from the rolling agricultural acres in the more sparsely populated north. But all seven Westminster divisions returned Conservatives to the Commons on May 3, with three Labour MPs, including Mrs Shirley Williams (to whom David Cobbold pays generous tribute in his election publicity), losing their seats.

Labour's hope for the European election, Brunel University lecturer and Herts County Councillor Dr. John Dore, and no friend of the EEC, clearly has little chance of winning. And, unless considerable personal charm and a great deal of energetic hard work really can work miracles, neither has David of Knebworth.

European Socialists in good humour

By David White in Paris

"ALL EUROPEAN Socialists are equal. Some are more equal than others." With this, Herr Willy Brandt, the West German Social-Democrat chairman, summed up the good-humoured mood at a European Socialist rally here when 17 Party leaders did their best to hold a press conference together.

The leaders, from all the EEC countries plus Spain and Portugal, were gathered for a "European Socialism" Europe festival, aimed at presenting, to a background of Berlin and Areworka, a joint front of Socialists in the European poll despite differences between the political visions of the different parties.

Since there was no consensus about what the central theme was, if any, between the Socialism and Social-Democracy, M. Francois Mitterrand, host of the jamboree, managed to find common ground in the fact that their Conservative opponents used the same language against them, irrespective of whether they were one or the other.

Mr. James Callaghan, British Opposition leader, managed to disguise any discomfort over the Labour manifesto and anti-market pressures. He said the Labour Party would take "a very positive" attitude to discussions about how the Community should spend its limited funds.

Referring neither to the revision of the Rome Treaty nor to the threat made in the manifesto about taking Britain out of the Community, Mr. Callaghan stressed instead the theme of collaborating with other Socialist parties in the interest of a fairer distribution of income and of securing employment.

On the EEC's farm problems, Mr. Callaghan said he had no doubt it was in the European interest to look into the question of the Common Agricultural Policy "very thoroughly indeed."

But in the 1980s the biggest problem would not be the CAP but the question of how European countries could create new jobs and to make sure that unemployment did not overtake industries in the wake of technological change.

This brought up the question of how to finance the EEC's budget, now heavily geared to the CAP, could best be spent.

Both Herr Brandt and M. Mitterrand said their parties were ready to discuss the farm policy. But M. Mitterrand emphasised that while Britain and Italy were most concerned about the size of their contributions, the French Socialists were concentrating on the problem of Monetary Compensation Amounts, protection of southern French farmers and controls on multinational food companies.

The former West German Chancellor trod carefully on the safe issue of the Parliament's future powers. He said the European Parliament had yet to use fully the rights granted to it in the Rome Treaty.

He hoped that in the future it would become "one of the two chambers in Europe," but this was not the task of the Parliament being elected this June. Although he added that the Assembly's powers would only be extended if everybody in the Parliament agreed to it. His comments are sure to be picked up by the French Communists to argue that the Socialist Party surreptitiously selling France down the European river.

Scotland's Euro-candidates are battling against indifference, Ray Perman writes

In line for the booby prize

FOR THE last 10 years Scotland has been probably the most politically aware corner of the British Isles. But that situation seems to have abruptly changed and the country is now in danger of winning the booby prize for the lowest European election turnout anywhere in the Community.

In the eight Scottish seats candidates have been universally pessimistic about the amount of interest they have been able to raise. In the early days some areas were predicting the turnout as low as 20 per cent. Those gloomy forecasts are beginning to change as Party activists begin to warm to the campaign and the European Commission's Press advertising begins to have some effect. But whether or not the final poll breaks 50 per cent may depend on how enthusiastically television, radio and the popular newspapers take up the issue in the final days before June 7.

Part of the lack of interest must stem from the fact that Scotland is less in favour of Britain's continued membership of the EEC than other parts of the country. Since the 1977 referendum, when Scotland voted narrowly in favour of staying in, opinion has hardened. An opinion poll published last month indicated that half of all voters now wanted Britain to leave the Community, against 38 per cent who wanted to retain membership and 12 per cent who were undecided.

This lack of concern, even among many of those who have heard of the European Parliament, is ironic. Scotland, more than almost any other part of the UK, is affected by EEC policy and should have a vested interest in seeing local influence over decisions of the Commission or the Council of Ministers increased. The country is much more heavily dependent on agriculture and fishing than the rest of Britain, its economy is closely tied to the future of energy policy, whether that affects oil, coal or nuclear power, and it has much to gain from increases in the regional and social funds.

But candidates are finding it extremely hard-going, overcoming the formidable obstacles in the way of relating these issues to the basic worries of most householders — prices, wages and jobs. First, there are what might

be called the logistical problems. After three by-elections last year which were fought almost as national campaigns by the parties, the devolution referendum and, without a break, the General Election, Scotland is politically shell-shocked. Party activists are difficult to motivate and most of the electorate feels that it would rather ever see a poli-

tical leaflet or doorstep canvasser again.

The difficulty is compounded by the size of the constituencies, both in numbers of households to be covered and, in the rural areas, the gigantic disturbances between settlements. It is, for example, more than 250 miles from one tip of the Highlands and Islands constituency to the other. And there is the problem of getting separate parliamentary constituency organisations, used to working in their own watertight compartments with a candidate each to provide focus and leadership, to work together.

The anti-Europeans, the Scottish National Party candidates, believe that Scotland should be a member of the EEC only on its own terms, if at all. But there are also more subtle barriers to cross. As decision making has become more remote from local communities, particularly in farming and fishing areas, it has become more difficult to per-

suade voters that they can actually influence the decisions that affect their lives. "When Britain voted to stay in the Common Market in 1975," one fish merchant told me with obvious resignation, "I wrote a letter to the papers saying that we should not be too despondent. Life would still go on — just as it had done in Russia after Stalin came to power."

It would be reasonable to assume that voting patterns will not differ significantly from the general election result, with only the turnout figure throwing an imponderable into the calculation.

It would, for example, be an immense surprise if Mrs. Janet Buchanan, wife of Labour MP Mr. Norman Buchanan and a convinced anti-marketeer, did not win the Glasgow seat by a handsome majority. On the general election figures she would have a margin of over 100,000 votes over the Conservative candidate, surely an ample cushion against a low turnout. Similarly, the pro-market Labour candidate, Mr. Ken Collins, should win handsomely in the next door seat of Strathclyde East.

Thereafter things become a little more problematic. On form, Labour should win a further three seats, Strathclyde West, Mid-Scotland, and Fife and the Lothians. But the margins over the Conservatives are narrower and the turnout figure could vitally effect the result. Labour voters, as opinion polls show, are significantly less keen on the EEC than are Conservatives and may be less inclined to make the effort to vote. The Conservatives should take South of Scotland and North-East Scotland, although the results may be close.

This leaves only the Highlands and Islands seat, which may provide the only real interest of the campaign. The four candidates include two former members of the European Parliament, both widely known and respected. Merely adding up the votes cast last month should give the seat to the Conservative, Mr. Michael Joughin, a local farmer, but the reputations of Mr. Russell Johnston, Liberal MP for Inverness and a staunch European, and Mrs. Winnie Ewing, who liked to be styled "Madame Ecosse" during her four years at the European Parliament, could make it a close contest.



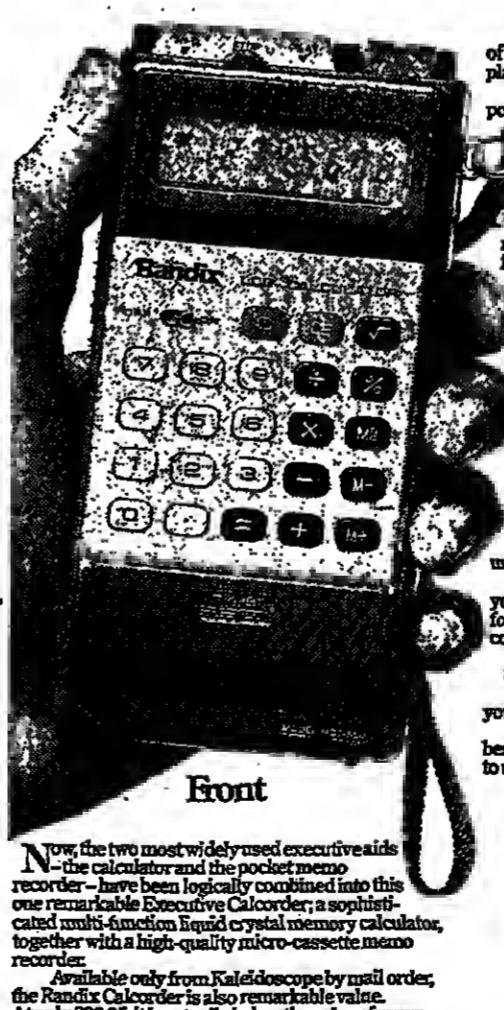
Mr. Russell Johnston and Mrs. Winnie Ewing



Mr. James Callaghan

A micro-cassette recorder with built-in 8 function memory calculator.

A memo recorder that's also an LCD calculator. The Randix Executive Calcorder. Only £39.95 (including p&p)



With the calculator side facing you all the controls of the recorder fall easily under your fingertips; playback, record, volume.

The sensitive built-in microphone is handily positioned on the top for easy dictation. The tape unit is Japanese, so the sound quality is every bit as good as you'd expect.

And as the calculator and recorder sections work independently, you can calculate and record at the same time.

The Calcorder is completely portable, running from the standard 1.5v batteries (supplied), or from mains current via an easily available adaptor. A snap-on cover protects the controls from accidental switch-on while travelling.

REMARKABLY EASY TO USE The memo recorder uses standard Philips type micro-cassettes, available everywhere, which give 15 minutes recording time per side, 30 minutes in all. To insert, simply slide back the cover and drop in. Recording is simple, just press play and record. Recording level is adjusted automatically, and a small red light-emitting diode tells you when your Calcorder is operating in the record mode.

8-FUNCTION LCD MEMORY CALCULATOR. The calculator function gives you all the facilities you would expect of an expensive calculator. It incorporates square root and percentage keys besides the normal functions, and a remarkably easy to use memory. The eight-digit display automatically indicates when the memory is in use, or when the calculation has overflowed. And, by using a liquid crystal display (LCD) instead of power-consuming light-emitting diodes (LED), the battery (standard 1.5v type supplied) life is as long as 2000 hours of constant use.

The keys are the positive light touch type (without being sticky) to help prevent mistakes when calculating at high speeds.

To order, fill in the coupon below and post. You will receive a written acknowledgement of your order, and your Calcorder will be delivered to your door within 28 days. And, if you are not completely satisfied, simply return the Calcorder within 14 days for an immediate refund. So post the coupon today.



Now, the two most widely used executive aids — the calculator and the pocket memo recorder — have been logically combined into this one remarkable Executive Calcorder, a sophisticated multi-function liquid crystal memory calculator, together with a high-quality micro-cassette memo recorder.

Available only from Kaleidoscope by mail order, the Randix Executive Calcorder is also remarkably value. At only £39.95, it's actually below the price of many memo recorders alone. And the only similar product we have seen was retailing at nearly £100.

For the businessman, it gives him his two most useful tools in one compact, easily portable unit. Attendants, surveys and meetings — both products and records vital information.

You can order this Calcorder now by using the recorder, or if you are a credit card holder, you can telephone us your order any time of the day or night.

SENSITIVE MICRO-CASSETTE RECORDER WITH BUILT-IN MICROPHONE. Measuring over 7" high, 2 1/2" wide and just 1 1/2" deep, the Calcorder fits comfortably into your hand, pocket or briefcase. Although one side is the recorder and the other side is the calculator, the Calcorder has been designed to allow you to use all functions without having to keep turning it round.

FULLY GUARANTEED. FULL REFUND IF NOT DELIGHTED. The Randix Executive Calcorder comes complete with leatherette carrying case, locking snap-on control cover, wrist-strap, personal card, one 30-minute micro-cassette, comprehensive operating instructions, batteries for the calculator and recorder and Kaleidoscope's full 12 month guarantee.

COMPLETED WITH CASE, WRIST-STRAP, CASSETTE, BATTERIES AND BUILT-INS.

Kaleidoscope, Bridge House, Farnborough Road, Swindon SN1 5AL

VAST SPRING SALE

The U.K.'s biggest selection of handmade carpets & rugs — OVER 2000 to choose from.

A WISE INVESTMENT

CHINESE — over 500 to choose from

Supersueded, e.g. 4'x4' Round	IRP £208	OUR PRICE £148
silky wool, 1/2" line, 12'x8'	IRP £1450	OUR PRICE £850
5'x3' Oval Rug	IRP £148	OUR PRICE £98
5'x3'	IRP £270	OUR PRICE £234

Natural Silk

YERSIAN

5'x2'9"	IRP £94	OUR PRICE £63
5'x3'10"	IRP £390	OUR PRICE £260
7'x4'5"	IRP £1950	OUR PRICE £1195
5'2'x3'6"	IRP £2795	OUR PRICE £1950

AFGHAN — over 700 to choose from

Red	IRP £72	OUR PRICE £76
Brown	IRP £528	OUR PRICE £348
Shades	IRP £985	OUR PRICE £645

INDIAN — many colours and sizes

8'x8'	IRP £200	OUR PRICE £135
8'x8' 1/2"	IRP £454	OUR PRICE £295
5'11'x4'	IRP £255	OUR PRICE £166

PAKISTAN — OVER 500 to choose from

Many colours and designs	IRP £138	OUR PRICE £89
5'x3'	IRP £197	OUR PRICE £132
5'x3'	IRP £350	OUR PRICE £225
10'x7'	IRP £585	OUR PRICE £385
12'x9'	IRP £895	OUR PRICE £595

RUMANIAN — Persian Designs

Persian Designs	IRP £360	OUR PRICE £240
8'x6'	IRP £135	OUR PRICE £85
12'x9'	IRP £1950	OUR PRICE £1260

CAUCASIAN & TURKEMAN

Shivan	IRP £295	OUR PRICE £198
Kazak	IRP £1600	OUR PRICE £1050
Old Kazak	IRP £930	OUR PRICE £660
Bokhma	IRP £415	OUR PRICE £276
Yarnood	IRP £415	OUR PRICE £276

RUNNERS

Afghan	IRP £122	OUR PRICE £83
Pakistan Bokhma	IRP £192	OUR PRICE £135
Chinese	IRP £288	OUR PRICE £198
Romanian	IRP £500	OUR PRICE £338

ALL PRICES INCLUDE V.A.T. IRP = Importers Recommended Price

Many larger sizes in stock • Trade Enquiries Welcome • Interest Free Easy Terms • Tax Free Exports for Overseas Visitors • • Beachside Access, Direct, American Express Welcome • • Part of Europe's oldest established Oriental carpet business •

Beverly House, BEST PRICES PAID FOR ORIGINAL CARPETS 44-46 Houndsditch, London EC3A 7DB. Tel: 01-253 8562 Opening Hours Mon-Fri 9 a.m. - 5.30 p.m. Sat 9.30 a.m. - 2.30 p.m. Bank Holiday May 28th 9.30 a.m. - 5.30 p.m. (including V.A.T.)

THE ORIENTAL CARPET CENTRE

For those who appreciate the difference.

In Los Angeles a grand-inn hotel that provides superior service and facilities for the discriminating international traveler.

Beverly Wilshire Hotel

White Boulevard at Rodeo Drive Beverly Hills, Ca. 90212 • Tel: 694-2200

Represented by IRI Member National Hotels Association

Kaleidoscope

BRUGHT TO YOU BY W.H. SMITH AND DOUBLEDALE

To Kaleidoscope, Bridge House, Farnborough Road, Swindon SN1 5AL

Please send me Executive Calcorder(s) at £39.95 each (including post and packing), complete with batteries. I enclose my cheque/postal order for £ or debit my Barclaycard/Access/ Diner's Club/American Express

No. _____

Signature _____

NAME (Please print) _____

ADDRESS _____

FULL COLOUR CATALOGUE, packed with new ideas at value prices, free with every order. Kaleidoscope a service of W.H. Smith and Doubledale Registered in England No. 1227642. Please allow 2-3 days for delivery

FT02

Irish has official lift threat

Review for plan to drop road tax

THE GOVERNMENT announced yesterday that it would review Labour's plans to scrap road fund licences. It also confirmed that legislation to compel the wearing of car seat belts will not receive its support.

Brighton Marina architects quit days before opening

BRIGHTON MARINA'S architects have resigned from the project a few days before the Queen is due to perform the opening ceremony. The multi-million pound scheme, Europe's largest marina, was started in 1971. It has aroused protests on environmental and cost grounds, ever since.

Hewlett in £6m 'think tank' plan

HEWLETT-PACKARD, the U.S. computer company is to invest £6m in a "think tank" at Wokingham, Berkshire. The centre is intended to produce software (computer instructions) for the company's worldwide manufacturing divisions.

Clearing banks offer rejected

THE BANKING, Insurance and Finance Union has rejected pay proposals worth 11 per cent in new money for English clearing bank staff which the employers say is their final offer.

Aerospace division recognises TASS

THE AEROSPACE industry senior staff who are not its members "on the strict condition that there is no affiliation between the group and any non-CSEU body or any organisation outside British Aerospace."

Legal hitch in Government's private hospital beds plan

THE GOVERNMENT has run into embarrassing but temporary legal difficulties over its scheme to retain private pay beds in National Health Service hospitals. It has discovered that the Health Service Board, which decides which beds should be scrapped, cannot be abolished until the Government has fresh legislation approved by Parliament.

Whitbread to spend £90m on its pubs

WHITBREAD IS to spend £90m of an £230m extended three-year investment programme on improving its public houses and free trade outlets. The investment programme to 1981/82 takes in an existing £7m plan for the current financial year and was announced with the company's 1978/79 results published yesterday.

S. Africa trade link 'vital'

AN ASSURANCE that the Government wants to see British trade with South Africa maintained and developed was given to the Commons yesterday by Mr. Cecil Parkinson, Minister of State for Trade.

Thorn quits flash cube market

THORN ELECTRICAL Industries, the only major UK manufacturer of camera flash equipment, is to leave the market. It will close its Magiscope factory in North London, where production is running down, early next year.

Fuel costs cloud QE2's future

AS THE QE2 sails out of Southampton today on its latest New York run, doubts remain about the ship's long-term future. Cunard's fuel costs alone for the ship are estimated to be £8m this year compared with estimates of about £5.5m before the oil price increases.

National water plan dropped

THE GOVERNMENT has abandoned a plan to establish a national water authority proposed in the White Paper of July, 1977. Mr. Tom King, Minister for Local Government and Environmental Services, said yesterday.

Leisure centre plan for Ulster

THE TRUST HOUSES Forte hotel group is expected to announce plans next week for a leisure complex in Ulster's County Fermanagh. In conjunction with the Northern Ireland Tourist Board, it will disclose details of the centre, to cater for the growing number of visitors to the Lough Erne area.

Industry advises Joseph against regional aid cuts

THE GOVERNMENT is being strongly advised by industry not to make any early changes to regional development grants policy as a means of trimming the Department of Industry budget. The CBI, which meets Sir Keith Joseph on Wednesday for the first time since he was appointed Industry Secretary, is expected to tell him that changes to the policy would harm industry at the present low levels of profitability.

Big cut in number of bond prizes

THE Department of National Savings is cutting by a quarter the number of premium bond prizes in an effort to clear the backlog of work left by industrial action at its computer centre. From September prizes will be reduced to 30,000 a month and the new structure will continue until January.

Shock runs through the dairies

THE 1p-A-PINT milk price increase, announced by the Government yesterday, may come as a severe shock to consumers. It came as a considerable surprise to the Dairy Trade Federation, the very organisation which had pressed the Ministry of Agriculture for relief from rising costs.

Pay comparability board 'must stay'

THE GOVERNMENT was warned yesterday by Mr. Tom Jackson, TUC chairman, not to abolish the comparability commission on pay which was set up earlier this year by Labour Ministers. Delegates at the annual conference at Bournemouth of the Union of Post Office Workers accepted a 10.4 per cent pay offer by endorsing a report on the negotiations after a two-day debate and a series of amendments.

More unions using law to gain company data

TRADE UNIONS increasingly use the law to try to force disclosure of company information during disputes with employers, according to figures published yesterday by the Central Arbitration Committee. In its annual report for 1978, the committee complains that often unions are not properly interpreting the provisions on information disclosure in the Employment Protection Act when making applications.

NEWS ANALYSIS—MILK PRICE INCREASE

Shock runs through the dairies. The 1p-a-pint milk price increase, announced by the Government yesterday, may come as a severe shock to consumers. It came as a considerable surprise to the Dairy Trade Federation, the very organisation which had pressed the Ministry of Agriculture for relief from rising costs.

Leisure centre plan for Ulster

THE TRUST HOUSES Forte hotel group is expected to announce plans next week for a leisure complex in Ulster's County Fermanagh. In conjunction with the Northern Ireland Tourist Board, it will disclose details of the centre, to cater for the growing number of visitors to the Lough Erne area.

THE WEEK IN THE MARKETS

Equities retreat in disarray

The equity market has been groping for a floor ever since it turned decisively downward after the General Election. This week, after an 11.5 point fall in the FT 30-share index on Monday, as the market gloomily contemplated the rising oil price and its potential effects on company profits, it managed to recover quite well in the next couple of sessions, led by gilt-edged. There was some encouragement to be had from what the gilt markets first saw as tough talk from the Chancellor on public spending cuts—the real thing, after all the rhetoric of the election campaign.

On Thursday, four of the 30-share index constituents were reporting, which was bound to create some nervousness given that a number of recent profit figures from major companies have failed to come up to expectations, and that figures being announced now are beginning to show the impact of the lorry drivers' strike as it turned out, two of the companies, Beecham and Boots, produced most disappointing results, and equities returned to their nose dive. At one time yesterday morning the index looked as if it might go through 500, but it steadied just above this level.

Sleeping drugs

The pharmaceutical sector has been on the receiving end of some very depressing news this week, and there now seems to be rather dull recently, as the British pharmaceutical majors—Beecham and Glaxo—seem to be suffering from a product gap simultaneously, that is, their established products have come near to the limits of their growth and the launch of significant new drugs is a couple of years away.

On Tuesday the chairman of Fisons told the company's meeting that research was proceeding well on a new series of anti-allergic drugs. Well and good, but the immediate prospects are not reassuring—the disruption of the winter means that Fisons' profits fell substantially in the last half of the year, and there now seems to be no prospect of growth in the year as a whole.

Worse was to come on Thursday when Beecham reported. The company is having to rely on its consumer products side for growth until the new generation of antibiotics establish themselves. The consumer products side did as well as could have been expected, but the pharmaceutical business activity went into reverse. Despite substantial interest-saving from the £83m rights issue of last November, the second half of 1978/79 showed lower pre-tax profits than the preceding three half-years. The main problem is price-cutting and patent infringement in North America, where Beecham has seen its profit margins cut to the bone.

There is little prospect of restoring them this year. Beecham's glamorous stock market rating does not allow for such a significant break in its pattern of growth, and the shares dived from 675p to 625p, falling further yesterday to 595p.

Courtauld's profits

Although Courtauld's profits are up from £33.7m to £64m pre-tax, they are still far too low. The current cost terms at Group sales are now running at over £1.6bn a year, and capital employed is in the region of £1bn. The pre-interest return on capital employed has not hit double figures since 1974-75, and in current cost terms the group is barely in the black.

In an inflationary period, this would be a recipe for disaster if it continued for any length of time. And Courtauld's faces

LONDON ONLOOKER

Two immediate problems. One is the strength of sterling combined with high domestic inflation which exports from the UK a quarter of its total business. The other is the jump in oil prices, which will put further pressure on margins even though the group is a lot less dependent on oil feedstocks than some manufactured fibre manufacturers, thanks to its strengths in production being based on woodpulp.

Fortunately Courtauld's is well aware of the threats, and some years management has been taking active steps to counter them. Working capital has fallen in money terms over the last two years, an impressive achievement given the pace of inflation. And some painful decisions have been taken in areas like fabrics, where 3,000 out of 20,000 jobs have disappeared in the last 18 months.

ICI and prices

Analysts have learned to be extremely wary of drawing a line through quarterly results and in the case of ICI, the trend is particularly clouded. On a

TOP PERFORMING SECTORS IN FOUR WEEKS FROM APRIL 26

Sector	% Change
Shipping	+ 0.3
Overseas Banks	+ 0.2
Overseas Traders	+ 0.9
Miscellaneous (Unclassified)	+ 1.0
Household Goods	+ 1.2
Textiles	+ 1.3

THE WORST PERFORMERS

Sector	% Change
All-Share Index	- 9.7
Insurance (Composite)	- 5.4
Pharmaceutical Products	- 10.0
Entertainment, Catering	- 10.4
Office Equipment	- 11.5
Insurance Brokers	- 12.4
Toys and Games	- 13.3

current cost basis, profits for the first three months of 1979 confirm everything the group's management has been saying about an acceptable return on capital. Current pre-tax profits slumped from £37m to just £12m.

Although it must be extremely doubtful whether the group takes much notice of the historic cost figures in any capital spending projection, they do look as bad as the transport strike and the winter freeze might have indicated. Pre-tax profits, excluding a £5m exchange loss, fell from £112m to £107m which is the best ever quarterly performance since the April-June period of 1978.

Price increases to cover the sharp rise in raw material costs are being pushed through and, given the time lag that these adjustments require, the second quarter should look noticeably better.

But customers are fully aware that further price increases are in the pipeline and the turnover gains that ICI and other chemical majors have recently been achieving must owe a great deal to stockpiling. The Nimian field is going to help with a contribution of perhaps £40m this year and £100m in 1980 but there is still no real way of telling just when and to what extent the projected chemicals price increases will start to blunt demand.

Tilling rights

A feature of the rights issue queue since the General Election has been the emergence of one large cash call and several tiddlers every week. Last week it was the turn of Thomas Tilling to dominate.

Keyser Ullmann

They used to call Keyser Ullmann "the bank that nearly died of shame" between 1974 and 1977 it ran up losses of close to £80m on its property lending and had to be rescued

by the Bank of England "lifeboat". However, under the careful eye of Mr. Derek Wilde, a former clearing banker, Keyser has been nursed back to health.

The rights is the third largest this year and follows a call for £22m by Tilling just two years ago. With 70 per cent institutional ownership, the issue was not difficult to underwrite and the group's reasons for the cash injection are very nearly the same as they were in May, 1977. Those reasons then, as now, are that the group saw significant growth prospects in the U.S. The big commitment across the Atlantic is only a year old but Tilling's investments have so far proved their worth with a pre-tax return of some 20 per cent.

Given that the group believes its existing resources are adequate, the latest equity tranche can only be seen as a further step towards the over-battles. To be fair, Tilling is usually loth to chase a contested bid to its eventual disadvantage but the owners of the company have again given the executive board carte blanche to pursue whatever new avenues it feels fit.

Perhaps this is what conglomerate corporatism is all about. Certainly, shareholders will do well to remember that they are being asked to raise the authorised capital yet again and the progression of new acquisitions is by no means over.

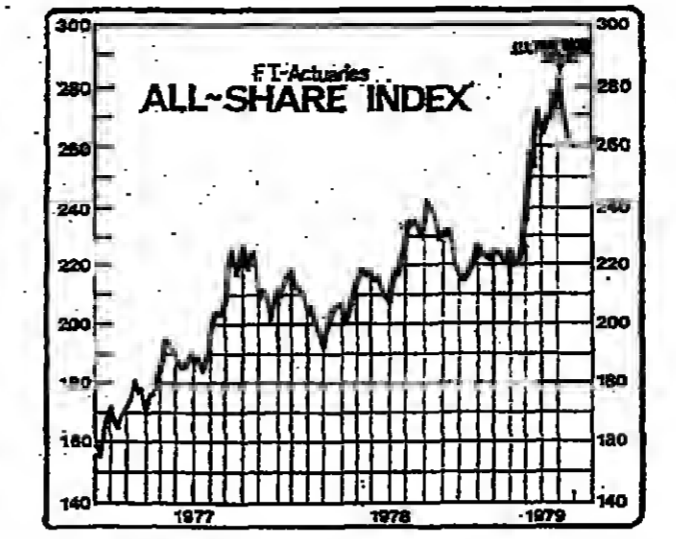
U.K. INDICES

Index	25 May	18 May	11 May
Govt. Secs.	72.84	73.31	74.38
Fixed Interest	75.09	75.88	76.76
Indust. Ord.	513.7	528.2	538.4
Gold Mines	184.8	172.9	163.9
Ds. (Ex s.p.m)	148.1	141.7	132.2
Dealings mks.	4,771	4,471	5,359

MARKET HIGHLIGHTS OF THE WEEK

The table lists the changes in the Industrial Ordinary share index and its constituents over the three weeks since the index peaked the day after the general election.

Company	Price	Change	1979	Low
Ind. Ord. Ind.	506.4	-52.2	558.6	446.1
Allied Brews.	94	-8	102	80
BOC Int.	78	-3	81 1/2	65 1/2
Beecham	598	-127	755	592
Blue Circle	316	-26	354	244
Boots	199	-36	238	184
Bowater	184	-25	209	171
BP	1,700	-130	1,838	882
Brown (John)	513	-74	592	356
Cadbury Schweppes	62 1/2	-6 1/2	69	51
Courtaulds	108	-8	122	102
Distillers	215	-24	259	198
Dunlop	71	-9	80	60
EMI	111	-3	144	100
GEC	405	-45	456	311
Glaxo	465	-50	500	457



battled toy manufacturer announced greatly reduced pre-tax profits of £1.2m for 1978.

This surplus is almost wiped out by a £1.1m extraordinary item (the cost of integrating the new Amara acquisition into the existing Louis Marx operation in the U.S.), thus confirming the company's forecast that a maintained dividend will largely have to be met out of reserves.

About the overseas side, which turned in losses of £4.27m, there is scant mention save that a stringent review of operations is under way.

No doubt there will be some heavy rationalisation in all the loss-makers including the businesses in the U.S.

After last year's abortive attempts at forecasting, DCM's directors are loth to stick their necks out beyond the current first half which, they say, will again show a "substantial" loss because of the seasonal nature of the business, particularly in the U.S.

Fears of recession

IMAGINE for a moment that (beware, improbably) you are out on the ocean in a rowing boat. You have lost your bearings and are in the thick of a dense fog. Your ears strain for sounds that might give you some indication of the direction in which you should row. Sometimes you think you can hear waves lapping on a distant shore, but others the deep throated growl of a large vessel bearing down on you which could reduce your boat to matchsticks and you to a shark's breakfast. You are paralysed in indecision, gripped by a fear that whichever decision you take will prove to be the wrong one.

Many U.S. investors feel they understand the rower's emotions from soup to nuts. The stock market rowing boat is

NEW YORK JOHN WYLES

similarly vulnerable, becalmed and shrouded in a fog of uncertainty about the U.S. economy, its present state and its future course. The much desired distant shore is an economic slowdown, and a cut in inflation. The threatening motor vessel is a recession which could prompt a sharp setback for share prices.

Neither the chairman of the Federal Reserve Board nor Mr. Charles Schultz, Chairman of President Carter's council of economic advisers, could be said to possess voices as gentle as waves lapping a distant shore. But they do cast a comparably optimistic beacon of hope to investors on Thursday when they asserted that current policies of fiscal and monetary restraint will dampen the rate of growth for the economy for the rest of this year without creating a recession.

Welcoming these sounds of safety, the market pulled gently in the direction of a heart stopping encounter with the growth of a looming recession. The first tremor of anxiety had struck the day before when it was learned that new factory orders for durable goods sank 8.7 per cent in April which had the historians casting back to 1968 to find a deeper plunge. But the stout hearted investor could mutter cheerfully that one week's numbers do not a recession make. But then on Wednesday President Carter and the Detroit auto companies joined forces to heighten investors' fears for their safety. The nation, said Mr. Carter, must expect serious adverse inflation figures for the next two to three months in a statement preparing the way for yesterday's news that the consumer price index had risen at

a 13.5 per cent annual rate in April (take comfort you Britons, the virus is spreading). Unabated inflation almost certainly means recession as does a 24 per cent drop in the daily selling rate of new cars between May 11 and May 20 in comparison with the same period last year.

Equity investors worry about recession for all the obvious reasons connected with corporate profits, investment and the tendency to bring a peak in interest rates which, at a time, at least, may be fixed in time, a substantially better proposition for their cash. The Scribes and the Pharisees who hold that the movement of the market is not random (the contrary view is summed up in the oft quoted quip that the market has correctly predicted nine of the last five recessions) say that share prices are a leading indicator. More often than not, it is said, share prices move broadly in line with the business cycle, peak with business activity and then fall in advance of a recession. In the last five recessions, the average lead time between a peak in share prices and the onset of recession has been 10 months, the shortest was six months and the longest 13 months.

But the Standard and Poor's Index of 500 stocks peaked at 105.49 in September 1978, which means that if a recession is in prospect the market has been issuing an extremely long warning. Pessimistic analysts believe this to be so and that the length of the lead time means that the eventual slump will be severe. The contrary view is that the drop in share prices between July 1977 and March 1978, when the Dow Jones Industrial Average stood at 743, was a reflection of the temporary economic slowdown of Feb 1977-78 winter and that the subsequent modest recovery is a harbinger of a more prolonged period of slow growth which will be the launch pad for a genuine climb in share values.

If you believe that a recession is likely, then the stocks which are the best stocks to hold. So-called "defensive" issues tend to do better than the general market when the economic skies are overcast, and they include such groups as telephones and tobacco, food, household products and utility companies. During the last recession, when the Dow plunged from close to 1,000 to 677, several groups of stocks gained substantially in value as investors anticipated a strong recovery. Between November 1973 and March 1975 entertainment stocks, for example, rose more than 80 per cent, steel rose close to 40 per cent, broadcasting companies 17.8 per cent, and food chains up 4.6 per cent.

Banking on the future of coal

COMPANY PROFILE MINING SUPPLIES RAY MAUGHAN

powerful roof supports. Of total pre-tax profits of £13.5m in the year to September 30 last, mining equipment contributed £5.2m—up £1.38m on sales of £68m. Around 90 per cent of production goes to the NCB.

Mining Supplies is very much dominated by its chairman, Mr. Arthur Snipe, who formed the company in 1960 after a two year spell with Dobson Gullick, and went public in 1965.

He still holds 44 per cent of the equity and the conveyor which he designed forms the crux of the business. Interim pre-tax profits climbed by £373,000 to £1.22m and an improvement of more than 50 per cent to £2.5m pre-tax should be in view for the financial year which ended last month. Interim turnover reached £9.78m while exports sales are running at around £3m annually.

But the package that the two sides hope to put together lacks one vital ingredient, the cutter, or to give it the more technical term, the shearer. Anderson Strathclyde, an amalgamation of Anderson, Mavor, M and C Switchgear, Austin Hoy and Hoy Carbides, is the generally acknowledged UK technical leader for shearer production but MS has a prototype shearer under NCB testing.

But if Dobson come up with a deal acceptable to Mr Snipe (and other shareholders) the bidder may still not have things entirely its own way. All sides are reasonably happy that a deal will not attract a Monopolies Commission reference but there is no telling that other bidders will not be drawn by the magnet of export expansion. The U.S., South Africa and Australia are where "the meat of the business lies" still talking to Mr. Snipe is still talking to other interested parties. MS went so far as to disclose that bid talks were underway in the autumn of 1977 but negotiations broke down before the offeror's identity was revealed. "Other people are interested," Mr Snipe confirmed this week "and quite commendable people at that."

Dowdy, which pitched at Anderson in 1969, is thought to be a possible bidder but, understandably, the group is playing its cards close to its chest. Its interest in what Dobson and MS are proposing is sparked, it says, only because all three companies are in the same



Mr. Arthur Snipe, Chairman of Mining Supplies.

largest manufacturer of mining equipment, was terminated last December on an apparently amicable basis and Dobson lost no time in setting up its own distribution and warehouse base also in Pittsburgh. A manufacturing operation is "very much in the melting pot" and the decision will obviously rest on whether the deal with MS comes off.

Turning down the idea of collaboration with Joy, MS has struck out on its own on a greenfield site at Abingdon, Virginia. A deposit has already been paid on a 24 acre site and next month the group will draw down a \$3m loan facility to build a 30,000 sq ft plant by the end of 1979.

"That will greatly assist our stores and servicing aspect," Mr. Snipe claims, and provide the right vehicle for expansion. Should the bid fail, there may be scope to set up a joint venture specifically designed to attack the U.S. coalmining market. Given Dobson's desire for a unified marketing drive and the benefits that both sides perceive in an export package, there seems a reasonable chance that some form of co-operation can be achieved. It will be some time before any merger can be concluded but, given the potential reward, it would be a pity if the chance was entirely lost. MS shareholders should hold on.

Impressive strength of the Financial Rand

SOUTH AFRICA BERNARD SIMON

SOUTH AFRICA'S second currency, the Financial Rand, has shown remarkable strength recently. Since the Securities Rand (known before 1975 as the Blocked Rand) was rechristened the Financial Rand last January, the discount against the commercial, or official, Rand has steadily narrowed from 42 per cent to 28 per cent, despite a small appreciation in the Commercial Rand rate. The Financial Rand currently stands at 85.25 U.S. cents, compared with the commercial rate of U.S.\$1.18.

The main reason for the increased demand for Financial Rand—which is the pool of non-residents' assets whose free repatriation is "blocked" by South Africa's exchange control regulations—has been the strong gold price and the consequent attraction of gold shares listed on the Johannesburg Stock Exchange. The Financial Mail's gold index last week topped the 500 mark against 409 at the beginning of this year.

The other significant factor behind the narrowing discount, however, has been the extended use of Financial Rand since January to include investment by non-residents outside the stock market. The move was proposed by the De Kock Commission on the Foreign Exchange markets, in order to entice more foreign investors back to South Africa. Previously, Securities Rand could only be used for investment in real securities. Under the new rules, Financial Rand may be used for equity (but not loan) investment in any ventures approved by the Reserve Bank.

Other unusual approvals include the purchase of coal and uranium mining rights (by British and German firms, respectively), and a sizeable donation by Metal Box to the urban foundation in South Africa which builds houses, schools and social facilities in urban black townships.

Some local companies, not surprisingly, have started to grumble that their foreign competitors are gaining an unfair advantage by investing "cheaply" in South Africa. Market talk is that Sigma Motor Corporation, for instance, is not amused by Volkswagen's big investment. The Reserve Bank, however, is unlikely to show much sympathy, arguing that this is the price to be paid

TWO POOLS

for attracting foreign investment.

The bank is adamant that it will not allow requests from non-resident companies which would substantially raise dividend remittances in Commercial Rand. The main reason is that Commercial Rand outflows constitute a drain on the foreign reserves, making the economy as a whole the loser.

Despite the attractions of the FR discount, some firms have chosen to channel funds into South Africa by way of loans to subsidiaries through the commercial rand market, rather than by means of FR. The reason is that funds must go out the same way they came in, and disinvestment through FR is thus expensive. But with the FR showing strength recently and the long-term outlook for the commercial rand bearish, bankers are now advising customers to use the FR market.

The next step in expanding the FR market will probably be to allow South African banks to create new FR in exchange for foreign currency. The market would still be restricted to non-residents, however. The creation of new FR would contribute to foreign reserves, but raises exchange control problems by building up two pools of foreign currency. Control over these two pools would be necessary, since different exchange rates against the Rand would apply to each. Because of the risk of widespread switching between the pools, the authorities are unlikely to consider this relaxation until the discount comes down much further, probably to below 10 per cent.

How soon is that likely to happen? Although the discount has narrowed by 14 per cent in only four months, the pace is unlikely to be maintained. Dr. Chris Steyn, Deputy Governor of the Reserve Bank, said last week that "a marked slowdown in the tempo of increase must be expected." Based on the economic and political outlook, he said that a gradual rise in the FR rate with minor fluctuations was likely.

Observers agree that the major long-term factor in narrowing the discount will probably be a depreciation in the commercial rate rather than heavy demand for FR.

CANADA ROBERT GIBBENS

CANADIAN STOCK markets cooled with euphoria to the narrow victory by the Progressive Conservatives in Tuesday's federal election. The market in Toronto, now the leading buying power is concentrated financial centre of the country by far, which moved solidly to put PM Joe Clark into power and ousted Pierre Trudeau.

Stocks surged higher steadily during Wednesday's trading and held their gains till the close. The bond market advanced up half a point and held the gain also, though this was partly due to a firmer bond market in New York based on hopes that interest rates have peaked.

The key Toronto Stock Exchange index of 300 industrials jumped 11.25 points to 1,481.36 at Wednesday's close, the largest daily gain in two months. The trend continued earlier in the week, when the index stood at 1,483.49, up a further 2.13 points. The record high is 1,491.11 set earlier this year.

Oil and gas stocks were the strongest sector on Wednesday and Thursday.

Investors were taking a face value the Progressive Conservative promise of less interventionist policies in Ottawa and the prospect of a more favourable tax regime emerging for the oil and gas industry quite swiftly under a Clark Government.

For the moment Mr. Clark is expected to be preoccupied with the problem of Canadian unity and dampening down any tendency by the Independent Government of Prince Rene Levesque in Quebec to take advantage of the meagre Quebec representation in the Clark Government.

While the new Government-elect has promised "a partnership" to boost growth in the economy, no immediate moves are expected to implement the economic commitments made in the election campaign. A new budget is not expected till late July.

Mr. Clark is unlikely to make any radical changes in federal energy policies and will not move quickly to break up Petro Canada, the national oil company formed by the Trudeau Government, or sell part of its stock to the Canadian public.

The surge in energy stocks of the past two days was also due to the rising prices for oil and gas in the context of the world energy crisis.

FINANCE AND THE FAMILY

Office copy of probate

BY OUR LEGAL STAFF

Before her marriage, my deceased wife and her brother and sister bought a freehold house in which to live. The property was conveyed to them as joint tenants in equity, and each provided one third of the cost. My wife left her one third interest equally to her brother and sister. In order to perfect their title, would it be sufficient for an office copy of the probate grant and will to be placed with the deeds?

Rebuilding damaged parts

I recently bought a leasehold interest in a flat. (a) Should the lessor, who retains the parts of the building used in common, be unable to pay for damage to those parts, are there any provisions whereby I could be legally required to pay for a share of any repairs necessary? (b) I have considered buying the freehold of the building myself, but gather that building societies are unwilling to lend to this type of freeholder. Is this the case? (c) No, but you might find yourself constrained in practice to rebuild or contribute to rebuilding damaged parts which are necessary for the enjoyment of your flat if the lessor has not

Stamp duty savings

Under House transfer to joint names (April 4) you advised that a husband who wished to establish a joint holding with his wife of the house he owned should make a declaration of trust declaring that he was holding the property on trust for his wife and himself in equal shares and later to appoint his wife as a new trustee. If, as we assume, you take the view that at valorem stamp duty is not payable by this means, would not this be a fraud on the Revenue, since very substantial CTT savings could be effected by

covenanted to repair these. (b) You should inquire of some building societies. However, it is unlikely that you would obtain a loan in order to purchase the freehold as that is not a purchase to lead to ownership of the property purchased.

No recovery of possession

My mother moved into a nursing home a year ago and let her flat to a tenant on an agreement that she would wish to recover possession for her own occupation. As I inherit my mother's estate is there any means whereby I could obtain possession after her death, should I wish to do so? You would only be able to recover possession pursuant to Case II of the 15th Schedule of the Rent Act if you resided with your mother at her flat when she last occupied it. Otherwise you cannot obtain possession until the tenant is willing to leave.

A stockproof fence

Part of my land adjoins a farm, and my deeds require me to erect a stockproof fence, but a former occupant of the farm himself put up barbed wire to keep his animals from my garden. The present occupant now tells me that if his horses should injure themselves on the barbed wire, he would hold me responsible. Can he? We doubt if liability could be attached to you if the barbed wire was not in fact erected by

you. However, the adjoining owner might remove the barbed wire and (if the benefit of the covenant with you has been assigned to him) require you to ensure that the boundary fence is stockproof.

Equalisation payments

Is it true that where the sale price of a stock includes a sum for accrued interest, this is regarded as part of the sale price, and as such is capital and not income? What is the position with regard to the "equalisation" part of the first return after investing in a Unit Trust? Should this be regarded as return of capital, or as income? Both these queries are in the context of the management of a small family Trust. Yes (assuming that you are talking only about UK income tax and capital gains tax). Equalisation payments are treated as refunds of part of the purchase price of newly acquired units, for CGT purposes.

Avoidance of CGT

I have some commemorative medallions and stamps. If I sell them and the proceeds are less than £2,000 could they be treated as chattels and not liable to Capital Gains Tax? The total proceeds could be in the region of £5,000, but I shall sell them in different lots in different years to avoid paying Capital Gains Tax if I am legally allowed to do so. The £2,000 exemption limit for chattels with a predictable life of more than 50 years (under section 129 of the Capital Gains Tax Act 1979, subject to what the Chancellor may say) relates to the price at which each asset is sold (not to the net proceeds of the sale—at auction, for example). If each collection were sold as a unit, then it would undoubtedly constitute a single asset. However, if stamps (or medallions) were sold singly or in sets, then each item sold would constitute a separate asset. The Inland Revenue would then consider whether any two or more items formed a set (in the ordinary meaning of the word, not in its philatelic sense) so as to be caught by the anti-avoidance provisions of

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

No preferential debt

On the appointment of a receiver and manager to my employer's business my employment was terminated by the receiver. I received one week's salary in lieu of notice from the Department of Employment with which I agree as being correct. My contract of employment stated that 13 weeks' notice was to be given by either side in the event of termination of employment. Can I claim an additional 12 weeks' salary in lieu of notice, from the winding-up proceeds, and will the amount rank as preferential under Section 319 Companies Act 1948?

You can prove in the liquidation for the remaining 12 weeks salary (or for such less period as is appropriate if you obtain employment within 13 weeks of dismissal), but it will not rank as a preferential debt.

subsection 4 of section 128: (4) If two or more assets which have formed part of a set of articles of any description all owned at one time by one person are disposed of by that person, and— (a) to the same person, or (b) to persons who are acting in concert or who are connected persons,

whether on the same or different occasions, the two or more transactions shall be treated as a single transaction disposing of a single asset, but with any necessary apportionments of the reductions in chargeable gains, and in allowable losses, under subsections (2) and (3) above. What constitutes a set of stamps (or medallions) is a question to be determined by the appeal Commissioners (as a question of fact) in each particular case, but members of your local philatelic society may have practical experience of the criteria adopted by the General Commissioners in your area. To guide you in your scheme to avoid CGT, you will need a copy of the Capital Gains Tax Act 1979 (ISBN 0 10 541478 4); it costs £2.75 from bookshops or £2.97 by post from HMSO, PO Box 569, London, SE1 9NL.

Standards for car servicing

HOW WELL do you maintain your car? Of course you top up the battery, check the tyres, put it through the local car wash—but do you have it serviced as recommended by the manufacturers, do you wait till just before your MOT test is due and then dash round to your garage for a quick overhaul, or do you read up all the handbooks, and try yourself to keep your car ticking over sweetly?

According to *Motoring Which?* for April, some 10 per cent of Consumers' Association members do almost all their own servicing and repairs while another 20 per cent do the simpler servicing, passing over only the more difficult jobs to the motor trade. Probably a questionnaire of FT motorists would produce very much the same percentages—assuming that CA membership and FT readership are drawn from the same sections of the community.

If you do some or all of your own servicing and repair, have you had a look at your motor policy conditions? And if so have you considered whether your do it yourself activities may be putting in jeopardy the cover you have bought? All the modern motor insurance policies have a maintenance condition: some conditions are much more stringent than others, but perhaps the one in my own policy is a fair example: "The policyholder shall take all

INSURANCE

JOHN PHILIP

reasonable steps to safeguard from loss or damage and maintain in efficient and roadworthy condition the motor car.

If I, untrained in motor car maintenance, but well read from manufacturers' manuals and available handbooks, intelligently and regularly apply the knowledge I have gleaned, can my insurers say that I have failed to take all reasonable steps to maintain my car in an efficient and roadworthy condition?

Or rather, will they say so, if I claim for the cost of its repair after I have run up a tree or into a ditch because of failure of my self serviced brakes or steering—a failure which arguably would have been prevented if my car had received attention from trained mechanics at a competent repairer? Now what if I have not done my maintenance myself, but asked my neighbour's son, a trainee mechanic, to look after my car, on the basis that it saves me money and gives him a few extra pounds in his pocket? Again, have I taken "all reasonable steps" if there is some failure which in his in-

experience he failed to prevent? My own view—and I don't know whether my insurers would or would not agree—is that in neither case have I taken "all reasonable steps"; in my policy condition "all" is an important word which puts my claims "out of court" in each case.

Probably at the present time most insurers will take a more lenient view. My guess is that most regard the maintenance condition in the private car policy as a kind of long-stop to be employed only against the motorist who has quite clearly done nothing to keep his car roadworthy. But if the number of DIY motorists increase the number of accidents and claims due to faulty maintenance will inevitably rise and then insurers may well decide that the time has come to apply maintenance conditions more firmly.

There is another aspect. At present, few insurers ask any positive questions about maintenance in their proposal forms, perhaps realistically assuming that no one is going to admit in advance to non-maintenance. But if self-servicing is going to increase, if insurers do get more claims involving badly maintained cars, then it must become very material for insurers to know whether the motorist is going to use skilled and properly equipped repairers for maintenance or to do the work

himself—and if the latter, then insurers must know what is his technical competence and what equipment he has available. Therefore it seems to me likely that we shall see the introduction of detailed questions on maintenance in proposal forms in future reprints and it seems logical also that the DIY motorist should be called on to pay more premium if the claims statistics justify this.

There are two kinds of motor insurance where proper maintenance is of the essence, where failure to have one's car properly maintained is a certain bar to claiming. The first, and more important in these summer months, for motorists taking cars abroad on holiday, is breakdown insurance. Words vary, but to enjoy this kind of cover the motorist going to Europe or further afield must have had his car properly serviced according to the manufacturer's instructions in the days immediately preceding his journey—and implicit in this requirement is the remedying of any defects discovered. The second is motor warranty insurance—the cover the motorist can buy for one or two years to insure against a range of mechanical failures and breakdowns after the maker's warranty runs out or if he still has a relatively new car and here again proper servicing is a firm pre-condition of the enjoyment of cover.

Aids for the investor/collector

FIVE YEARS ago Stanley Gibbons, having become rather reluctantly involved in the investment aspect of stamps in 1972, decided to publish a brochure on the subject. It was felt that the time had come to set out clearly and concisely a few do's and don'ts for those without more than a basic knowledge of stamps who were contemplating putting money into them. As the oldest stamp dealers in the world Gibbons has an understandably conservative approach to philately and were orientated towards the private collector. The new phenomenon of people with money to invest in stamps as if they were the same as any other commodity was something which Gibbons tended to regard with some distaste.

Around that time, however, there was a much-publicised fraud case in which many investors had hurried their fingers badly as a result of investing mainly in sheets of modern commemoratives. One of the disadvantages of being a household name is that Gibbons was left to pick up the pieces and restore public confidence in stamps—primarily as a collectable but secondary as a form of investment. It was in this atmosphere that the idea of the investment portfolio was born. The brochure which appeared as a result of a mere two years' experience in this field made the modest suggestion that the ideal basis for an investment portfolio was a handful of classic stamps with a

STAMPS

JAMES MACKAY

minimum value of £250. The investor was advised to hang on to his portfolio for five years, while Gibbons restricted the material offered to only those items which it would wish to repurchase.

The new brochure is a sign of the times. The minimum portfolio now recommended has jumped to £1,000, with £5,000 suggested as a good average amount. Otherwise the content of the portfolio has changed very little. Gibbons continues to concentrate on the classics—those stamps issued between 1840 and 1900, with a few exceptional items up to 1930—but greater diversity is provided by the inclusion of material which reflects changes in collecting fashion. Thus high face value colonial stamps with "Specimen" overprints are now featured. Not so long ago Specimen stamps were completely ignored by the catalogues, though they always enjoyed an esoteric following. Today they are fully listed, and many of them are priced in three figures. Proofs, essays and artists' original watercolour drawings are among the more specialised items which are now included, as are early covers and entire letters bearing

classic stamps with fine or unusual postmarkings. In the 1974 brochure Gibbons selected some 21 medium-range items as typical examples of investment material. The entire group could have been purchased at the time for £2,226, but two months ago the same stamps would have cost £11,920 and today the cost would be substantially higher—such is the rapid movement of the international market in fine stamps.

Gibbons' famous "Top Twelve" classics have shown the same average five-fold appreciation over this period. The British £5 unused of 1887-83 and the Cape of Good Hope Woodblock 1d of 1861 both started at £2,000 in 1974 and today are worth £5,500 and £10,000 respectively. On the other hand, a perennial favourite like the unused Penny Black of 1840, which one could purchase for £200 in 1974, now costs about £700, though doubtless this figure will have been exceeded by the time this is actually published. Of course, it must be borne in mind that the Retail Price Index has doubled in the same period and the FT 30 Share Index has fluctuated between a low of 146.0 (January 1975) and a high of 549 in recent weeks—a rise of 3.7 times. Against this background, however, good classic material has more than held its own. There are fine shades of distinction between the pure investor, the investor/collector,

the collector/investor and the pure collector, for all of whom the philatelic trade now caters in varying degrees. Thus, although Gibbons recommends five years as the optimum period for holding a portfolio, they maintain detailed registers of their clients' holdings and will often advise an investor to sell earlier—by making an offer they cannot refuse—if certain items are desperately required by collector-clients for study purposes or exhibition entries. A high proportion of investors immediately re-invest in other material, but the true success of the Gibbons scheme is the number of pure investors who end up as pure collectors and compete themselves in international exhibitions.

Priority is still given to the private collector, although Gibbons admits that the investment scheme enables them to spread around valuable material which the market might not digest too readily all at once, and, of course, it solves the dealer's age-old cash-flow problem of having too much money tied up in stock. The rate at which the better material turns over these days, however, makes this a problem which many dealers would love to have—as anyone who has witnessed the bitter competition in the salerooms will testify. Further information on the Gibbons investment scheme may be obtained from the Rare Stamp Department, Romano House, 392, The Strand, London, WC2R 0LX.

Worldwide Investment in the United States

NEW YORK-JUNE 18 & 19 1979

What are the prospects for foreign investment in the United States? New York in world finance — what will be its position in the next decade? Why the United States is so important to the international banker.

These, and many other questions, will be examined and discussed at the Conference "Worldwide Investment in the United States", to be sponsored by the Financial Times, World Business Weekly and The Banker in New York on June 18 & 19, 1979.

Amongst the distinguished panel of speakers will be:

Mr. Edward L. Palmer, Chairman of the Executive Committee, Citibank N.A.

Dr. Michael von Clemm, Chairman and Chief Executive Officer, Credit Suisse First Boston Ltd.

Mr. Akira Harada, Senior Managing Director, Matsushita Electric Industrial Co. Ltd.

Mr. George Ball, Partner, Lehman Brothers Kuhn Loeb Inc.

Mr. Omar El Abd, Vice President, Salomon Brothers International Ltd.

Dr. Robert Sutz, Executive Vice President, Union Bank of Switzerland.

For full details of the agenda and registration procedures, complete and return the coupon below.

WORLDWIDE INVESTMENT IN THE UNITED STATES

To: Financial Times Limited, Conference Organisation, "WORLDWIDE INVESTMENT IN THE UNITED STATES", Bracken House, 10 Cannon Street, London, EC4P 4BY. Tel: 01-236 4382. Telex: 27347 FTCONF G

Please send me full details of your conference "Worldwide Investment in the United States"

Name Company Address Tel:

A FINANCIAL TIMES CONFERENCE

Hope is the talisman

FOR FIVE GUINEAS a day it used to be possible to have a special inspection of the Cornish mines. That was the fee charged in 1987 by R. Tredinnick, a City broker anxious to guide potential clients to no less than 47 mines which, he thought, "present more than usual chances of success."

The names of the mines have long since been consigned to the archives, but for the investor they must have presented an attractive prospect if Tredinnick,

50p a share in September 1977. The shares are now at 53p. Geovor shares are at 153p after moving between 111p and 185p since the beginning of last year.

Still, original watercolour drawings are among the more specialised items which are now included, as are early covers and entire letters bearing

One of the main factors behind the fall in output, was the closure of Wheal Jara, owned by Consolidated Gold Fields, and Mount Wellington, owned by Cornwall Tin and Mining, two adjacent mines near Truro, Mount Wellington has probably closed for good, but the future of Wheal Jara could be resolved within the next few days when the Government has decided what to do about an application for aid made by Rio Tinto-Zinc, the godfather group behind the man who initiated a rescue attempt, Mr. Robert J. Sprinkel.

The Cornish Chamber of Mines listed a number of exploration ventures in the area and it is possible that production figures could over a number of years, rise again.

But that depends on the application of Tredinnick's criteria. "To make mining investments pay," he said, "sound judgment, with practical knowledge well applied, good localities and ample capital are at all times indispensable."

Although, over 50 years ago, Cornish enthusiasts used to argue that "there still remains in Cornwall more tin than has ever been dug out of it," finding the good localities continues to be the problem. As Mr. Sprinkel established, if the locality is found, and it could only be indifferent, then it is possible to winkle out the capital. "Hope is the talisman, and perseverance the guarantee of success," said Tredinnick.

Today's mining companies would probably argue that such 19th century aphorisms are all very well, but in a more restrictive world, nothing is quite so simple. Locally they would note

difficulties like mineral rights and planning permissions. Looking overseas they would refer to governmental attitudes.

For UK companies, China is a case in point. The way to local companies to participate in the mineral development of China was opened up by a governmental agreement in January. Charter-CBE Mineral Services and Seltrust Engineering agreed to submit development proposals for six projects by March 31st.

And this they did—they even delivered their proposals by hand. A response from the Chinese had been promised within a month. Four weeks after the deadline, the companies are still waiting. It is

clear their submissions have been caught up in the uncertainty surrounding official discussions about the priorities of industrialisation and how to raise the huge amounts of finance involved.

It had seemed in the middle of the week that the rise in the gold price had been checked. But yesterday it moved ahead strongly again to close at \$270.625, yet another record, for a rise on the week of \$13.75.

Continued fears about the inflationary effects of bigger oil prices met market. And bullion's rise has taken gold shares along with it, so, after falling for two days, the Gold Mines Index yesterday climbed to 187.4 for a week's rise of 11.7.

MINING

PAUL CHEESERIGHT

talking his book, was correct. It was not only a question of variety, but yields and prices as well.

Tredinnick said his selection would pay on average 20 per cent in dividends and advance in current value within a twelve-month—many 100 per cent in advance—without the corresponding risk attached to Banks, Railways and other descriptions of speculative investments.

Over the last 122 years, Cornish mines have come and gone, and latterly they have mainly gone. These days there are only two quoted companies—Geovor and South Crofty—or three, if South Crofty's parent, Salix Piran, is included. This week, the Cornish Chamber of Mines noted that there are now only three underground mines and three surface operators still producing tin.

Both Geovor and South Crofty are resilient survivors veterans of several cycles on the tin market, but Tredinnick would have scoffed at their returns. Geovor's yield is 5.4 per cent and South Crofty's is 11.8 per cent at the top of the tin market cycle.

And he would have sneered at the market prices. A parcel of South Crofty shares was offered to the public, and rapturously received, at a price of

TIN OUTPUTS COMPARED

Table with columns: Month, 1979, 1978, Total tin (tonnes), Same period previous year (tonnes). Rows include Amal. of Nigeria, Aoshan, Ayer Hitam, Berjuntai, Bislich Jantar, Kuala Lumpur, Ex Lands Nigeria, Geovor, Gold and Base, Gopeng, Idris, Kamunting, Kluang, Kinta Kelas, Kuala Lumpur, Lower Perak, Malayan, Pahang, Pengkalen, Petaling, Rahman, St. Piran-Far East, St. Piran-UK (South Crofty), Southern Kinta, Southern Malayan, Sungei Besi, Tanjong, Tongkah Harbour, Trench.

Figures include low-grade material. † Not yet available. Outputs are shown in metric tonnes of tin concentrates.

YOUR SAVINGS AND INVESTMENTS

EDITED BY EAMONN FINGLETON

Unit trust leaders expect a flood of trust launches to follow the easing of controls on management charges, writes Tim Dickson

Here comes the deluge

A SUDDEN RUSH of unit trust launches seems likely if the Government goes ahead with its promise to scrap controls on the industry's management charges.

The point is that it may in many cases be cheaper and easier for groups to launch new trusts than to go through the procedure necessary to raise charges on existing funds. Meanwhile the prospects for investors struck in some of the old trusts do not look bright.

Leaders of the industry are expecting the biggest rush of launches since the heyday of the late '60s. Recently launched trusts have dropped to a trickle as the charges controls have discouraged new groups from entering the business: so far this year, for instance, only seven trusts have been launched.

Unit trust leaders regard the

new launches as regrettable but inevitable.

At the moment most unit trust groups which charge the maximum 5 per cent initial levy are forced under present Department of Trade rules to keep their annual charge at 1 per cent. The industry hopes that official controls on the annual charge will soon be dropped as part of the Tories' competition policy. This could leave the way clear to raise the annual charge to 3 or 4 per cent.

The stumbling block is that in virtually every instance the scale of management charges is written into trust deeds so a meeting of unit-holders will have to be called to approve changes.

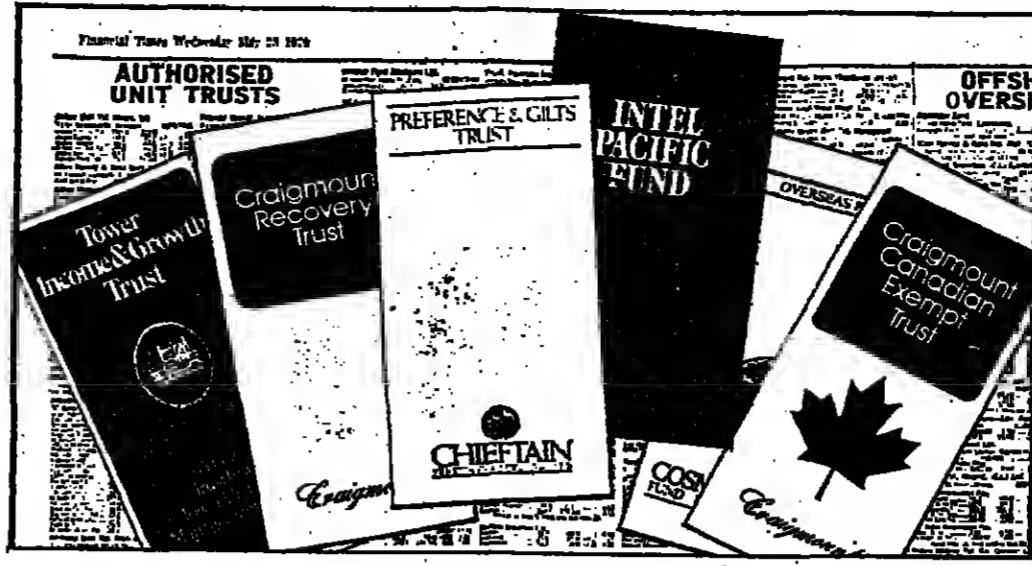
Our legal charges, the trustee's legal charges and the cost of circulating unit holders will all make this a very expensive exercise," observes Peter

Potts, chairman of the Chieftain group. "And although it would be against their interests, unit holders would be perfectly entitled to throw out any proposals to increase the levy."

Edgar Palamoutain, head of M and G and until last week chairman of the Unit Trust Association, also expects the creation of new funds to be seen as a way of bypassing both fees and expense. "It is a regrettable way of raising the annual charges," he adds.

Trevor Chubb, marketing director of the Tyndall Group, argues that the more established unit trust groups with a wide range of funds, are less likely to adopt this approach.

Brian Benks, chairman of the new Tower group, points out that unit trust managers often get a better response from launching new funds than from



This year's additions: launches have dropped to a trickle

giving a promotional push to existing ones. And a danger for unit trust groups in circularising unit-holders on a change in the trust deed is that apathetic investors may be stirred into settling their holdings: apparently many unit-holders forget that they own units until they are reminded by circulars

asking them to take a decision on something.

Investors have little to gain and probably something to lose from a rash of launches. With already 400 trusts in existence almost every specialist taste is catered for and most of the top groups already have a complete range.

If groups start introducing new trusts simply to get round the trust deed stumbling block, the danger is that their existing ones will be put out to grass.

Completely new unit trust management groups should emerge if, as expected, free market conditions allow charges to move upwards.

A survey of Fisons' shareholders has shown that private investors are nearly extinct, writes Richard Lambert

Silent spring at Fisons

ABOLISH DIVIDEND controls. Further ease capital gains tax and encourage employee shareholders. Put private shareholders on a par with gross funds as far as taxation is concerned. Otherwise, says Fisons' chairman Sir George Burton, quoted companies and their large institutional shareholders will become increasingly vulnerable to political interference. And the stock market itself will cease to function properly.

These views are based on the latest survey of Fisons' shareholders, the fourth of its kind, which Sir George published at this week's annual meeting. For Fisons and a lot of other public companies, it is not just florid journalists to talk about the demise of the private investor. Its last survey showed that nearly a fifth of its private stockholders were over the age of 75, and only 15 per cent were under 50.

There is no incentive, the company concludes, for younger shareholders to replace their elders. The Government has erected just too many "no entry" signs over direct investment in shares.

The result, according to the latest survey, is that only 32 per cent of Fisons' shares are now held by private individuals. Three years earlier the proportion was 44 per cent and back in 1968 it was 55 per cent. On current trends, private stockholders will own no more than 10 per cent of the shares in eight years' time.

That poses a genuine threat to the company. Its interests are best served by having what it calls a "wide-ranging financial electorate," with many private people as well as many institutions holding its shares. The more voters that can be actively involved in the direct ownership of the business, the less its managers will have to worry about the possibility that politicians will interfere.

The hope is that the election of a Government which is committed to cutting back State intervention will lead to positive changes in these areas. But fiscal and legislative reform will not by itself be enough to reverse the trend and bring private shareholders back to the fore. Companies will also have to change their attitudes, for managers are becoming increas-



Burton: tax plea

ingly remote from their private owners.

Unlike Fisons, too many chairmen are happy to boast that they got their annual meeting out of the way in two and a-half minutes—and then go off for a private tête-à-tête over a stockbroker's lunch table.

Too many finance directors are prepared to recommend that their company should make a rights issue without considering whether that is in the best interests of all their stockholders. One of the main reasons for the recent change in the pattern of ownership at Fisons is that most institutions took up their rights issue entitlement in 1976, whereas many private shareholders decided not to do so.

A wide variety of shareholders is an asset to a company—and it should be treated as such.

Flats made from converting Victorian houses are a favourite of first-time buyers. But will building societies lend on them? John Makinson reports

First-time buyer's choice

FOR MANY first-time home buyers, a "converted" flat is the most attractive option open, sometimes the only one. Estate agents often cite as a hidden benefit the fact that the trust deed is that apathetic investors may be stirred into settling their holdings: apparently many unit-holders forget that they own units until they are reminded by circulars

Buyers get more space for their money and, if the conversion has been done with a little imagination, often find more character than in a typical box-like purpose-built place.

The catch has traditionally been that it is difficult to get a mortgage on conversions and even now building society managers often have large reservations. Nonetheless, many major societies are now prepared to offer mortgages on conversions and applicants are likely to be treated with more sympathy than they were a few years ago.

In assessing the flat's acceptability as a security, the building society's overriding concern is the quality of the conversion. Conversions may have improved slightly in the last couple of years but there are still enough developers whose stock-in-trade is the hardboard partition for the societies to be wary.

Societies sometimes conduct a preliminary survey of the property to see if it is a likely mortgage candidate and this is unlikely to be deducted from the applicant's fee, but it is worth checking in advance. The full building society survey comes later and the buyer, of course, pays for this. Conversions are more difficult to assess than purpose-built flats as there are more variables: societies need information on maintenance of the common parts, notably the roof, the state of the service company's reserve fund and probably some background on the freeholders.

Cram

They are also likely to view old conversions less favourably than recent ones and to look askance at flats in houses where developers have tried to cram in half a dozen small flats. It is almost impossible to get a mortgage on a freehold flat—a point which should be borne in mind by anyone planning to convert a house himself.

There is less now to choose between the major societies than there was two years ago, when for example the Britannia and Bradford and Bingley ruled out mortgages on conversions altogether.

Stanley Walker, chief general manager of the Leeds, says societies have had to adjust to the development of the property market, where conversions have been playing a growing role. But in any case, he thinks, the quality of converted flats has generally improved. His own society now has a higher proportion of conversions on its books than a few years ago.

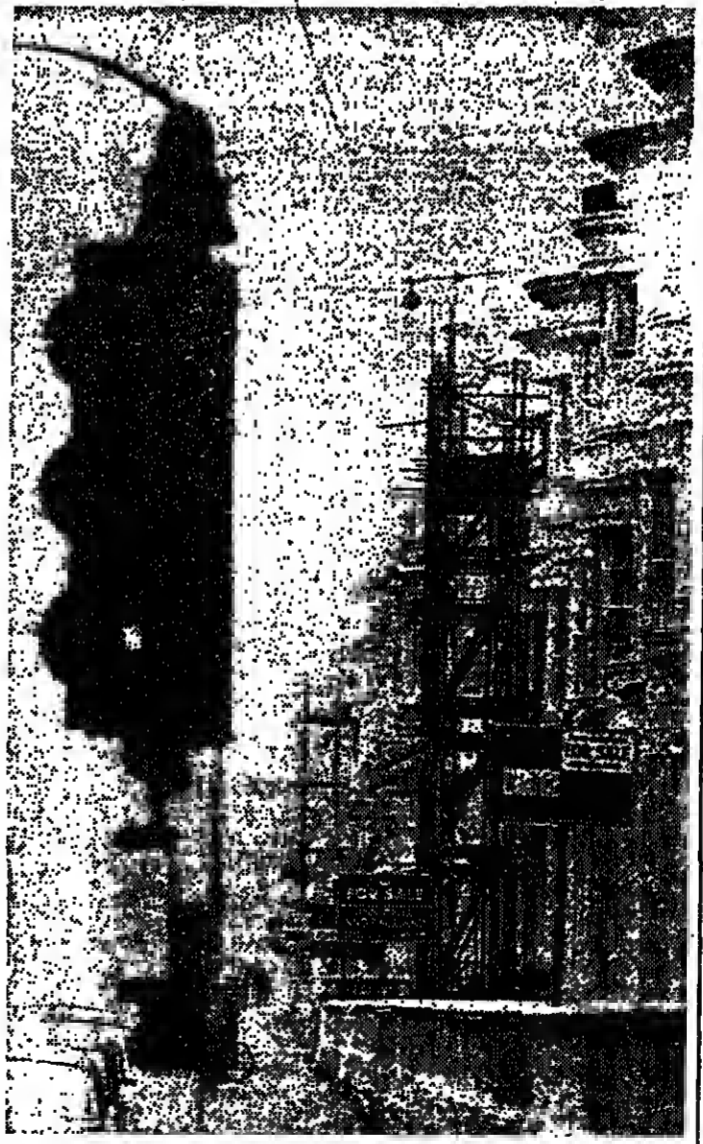
The three largest societies—the Halifax, Abbey National and Nationwide—have a long tradition of dealing with conversions



Walker converted

and they will probably look sympathetically at sound applications. But remember that local branches take the decision, not policy-makers at head office.

Other societies, while accepting conversions in principle, are cool about them. "We don't turn them down out of hand," says the reaction of Basil Eckhard, chief general manager-cash.



London streetscape: a conversion may be the only option

Hidden honey pot

THOUSANDS of church restoration groups, parent-teacher associations and other voluntary organisations are letting money slip through their fingers because they do not shop around for the best interest rate on their funds.

Research by the National Savings Bank shows that many non-profit-making groups which are not subject to tax on investment income make the mistake of investing in a building society.

The NSB points out that its investment account, offering 12 per cent before tax, would be a

SAVINGS

EAMONN FINGLETON

far better bet. Building societies offer 8 per cent tax paid on ordinary deposits—but the tax credit is of no value to a fund which is exempt from tax.

A minor complication with the NSB honey pot is that you have to give one month's notice of withdrawals. But the finances

of most non-profit-making organisations can be structured so that this is not a problem. The NSB's rate compares well with longer term rates—a check earlier this week showed that there was only gilt-edged security maturing before 1990 offering more than 12 per cent.

Many schools could also benefit from the investment account, according to the NSB. They often have considerable sums which may not be needed for several months lying fallow in a bank current account.

Any organisation run for charitable purposes should be exempt from tax. The organisation does not need to be a registered charity: the Inland Revenue will make its own decision on whether a group's aims are truly charitable.



SUPER FRAGRANCE

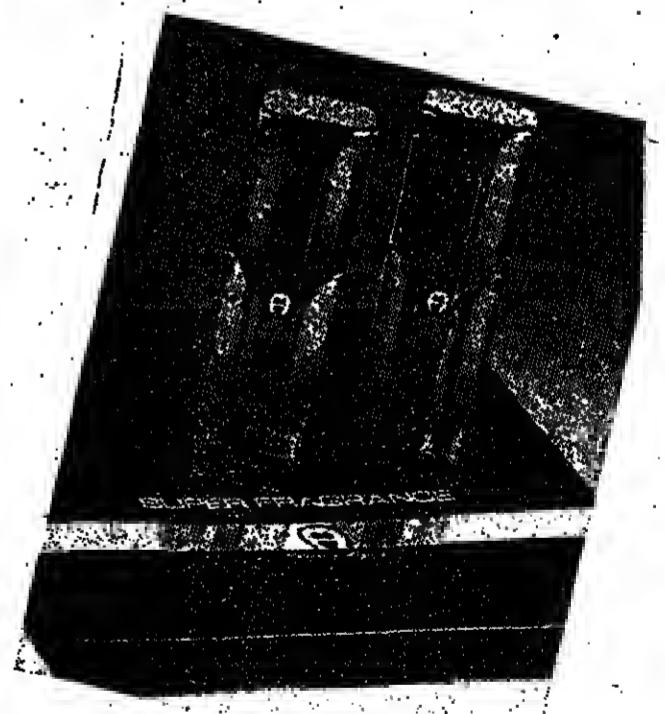
For him. Perfume, Eau de Toilette and After Shave. Totally Masculine.



Etienne Aigner COSMETICS



Your gift from Etienne Aigner Cosmetics



This Super Fragrance Kit, containing Eau de Toilette and After Shave, is your gift when you purchase two or more products from the Etienne Aigner Cosmetic range for men.

Until 5th June 1979 in the Toiletries Department, Ground Floor

Harrods
Knightsbridge, London SW1X 1XL
01-750 1234

WHO OWNS WHAT IN WORLD BANKING 1979

A guide to the subsidiary and affiliated interests of the world's major banks, including a section on multinational consortia banks.

Comprehensive cross-referenced index. All the banks appearing in the Banker magazine 'Top 300' survey are covered in the main section, together with those others whose international activity warrants inclusion.

Price: £19 in the UK; US\$46.00 outside UK, including airmail.

WHO IS WHERE IN WORLD BANKING 1979

A guide to the overseas representation of the world's major banks in fifty financial centres in the following countries:

- Argentina, Australia, Austria, Bahamas, Bahrain, Belgium, Brazil, Canada, Cayman Islands, Chile, Colombia, Denmark, Egypt, Eire, France, Germany, Ghana, Greece, Hong Kong, India, Indonesia, Iran, Italy, Japan, Kenya, Lebanon, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Nigeria, Pakistan, Panama, Philippines, Portugal, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Taiwan, Thailand, Tunisia, Turkey, United Arab Emirates, U.S.S.R., United Kingdom, United States, Uruguay, Venezuela, Zaire, Zambia.

Price: £11 in the UK; US\$28.00 outside UK, including airmail.

A SET OF BOTH VOLUMES IS OBTAINABLE AT THE DISCOUNTED PRICE OF £27.00/US\$67.00

For further details and order form please write to:
The Banker Research Unit,
Greystoke Place, Fetter Lane,
London EC4A 1ND

YOUR SAVINGS AND INVESTMENTS 2

Picking a winner

THE CASE FOR unitholders increasing their investment in the British market now is dividends: if, as expected, the Government soon scraps controls, dividends could rise by 20 per cent in the next year. That would take the yield on the market at present share prices to more than 6 per cent—the highest for more than two years.

The market would not have a market without a contrary view. On the debit side, profits growth will probably not keep up with inflation in the next 18 months because oil costs are shooting up again and the value of foreign earnings is being cut by the pound's strength on currency markets. Inflation is back in double figures and the trade unions seem to be on a collision course with the Government.

Market men point out that the current bull phase of the market started in October 1976—and a 31-month bull market is the longest we have seen in nearly two decades. The bears see the recent setback in the stock market which followed the Tories' election victory as the first stage in a depression which could continue to dog the market into the 1980s.

And, as the Phillips and Drew stockbroking firm pointed out recently, present share prices

UNIT TRUSTS

EAMONN FINGLETON

are now high in relation to industry's profitability. Price-earnings ratios, which measure the relationship of share prices to companies' profits per share, are now near the top end of the range they have moved within in the last five years. The p/e ratio of the FTA Industrial Group shares is now around 3.5, which compares with an average of 8.3 during 1972. The highest annual average was 9.4 in 1976 and the lowest 7.0 in 1974.

Those still hoping for cheerful medium term prospects for share prices are on firmer ground when they look at dividends. And after all, the flow of dividends is the only reason why a company's shares have any value other than the theoretical pay-out shareholders might get in a liquidation.

The yield on the Industrial Ordinary Index is now around 5.7 per cent. Phillips and Drew is among stockbroking firms predicting that dividends announced in the next year will show increases of about 20 per

cent on average. So the prospective yield on the index is about 6.8 per cent, higher than since the autumn of 1976.

The big imponderable is the extent to which the change of government has improved the long-term outlook for profits. If it has, the performance of the stock market in the early 1970s is a pointer to how far share prices could go. Share prices would have to double to match the p/e ratios of those days—an average of 16.8 in 1971 and a staggering 19.5 in 1972. Moreover, the average dividend yield was only 3.7 per cent in 1971 and 3.1 per cent in 1973.

The sourness of 1974 and Britain's subsequent political and economic troubles will ensure that it will be a long time before such heady optimism re-emerges. But if the Government's economic initiative pays off and we return to an economy where profits and dividends keep abreast of inflation, today's share prices will look like a giveaway in a few years.

For a unit trust to participate in any action the Henderson group's Capital Growth fund looks a good bet. It is aggressively managed and would benefit particularly if the pendulum of stock market fashion swings back towards low-yielding shares with good prospects of sustained dividend growth. The minimum purchase is 1,000 units and they cost 69.6p each.

Insurance-linked bonds have special attractions for marketing men—but do they suit investors? Eamonn Fingleton outlines how they work and warns of some pitfalls.

Bonds: watch for a sting in the tail

FEW SAVINGS vehicles are more widely misunderstood than insurance-linked investment bonds.

Many savers assume that life insurance is included in the package to give them special protection from tax. This is not always the case—in fact, often a saver who invests via a bond may face a larger tax bill than if he had a direct holding in shares or in unit trusts.

For marketing men in the savings industry, bonds have several attractions which are no advantage to the investing public.

Bonds are single premium insurance policies where most of your money goes into an investment fund; a small amount is, however, deducted to provide minimal life cover.

The whole package is classed as an insurance policy which means that it can be sold by door-to-door salesmen, whereas direct selling of straight unit trusts is banned by law. The insurance status of bonds also means that they can be advertised even where the underlying fund does not have Department of Trade authorisation as a unit trust. This means that the fund escapes the Trade Department's strict curbs on management charges. And it means that the fund can invest directly in office blocks, shop premises, and other properties—direct property holdings are out of bounds for authorised unit trusts.

If the bondholder dies early, his family get the greater of the cash-in value of the bond or the

basic sum insured. The sum insured varies depending on the investor's age: a typical arrangement in the case of a young investor is cover of twice his initial investment.

Bonds do not provide an income as such—the income from the underlying investments is reinvested and the investor gets the benefit in a rise in the value of his bond. Investors who need to live off their capital can, however, make special arrangements for annual withdrawals from the investment fund.

Single premium bonds are not "qualifying" policies under Inland Revenue rules so there is no tax subsidy on your initial payment. The underlying funds are, however, taxed at the usual insurance company rate on their income—37½ per cent. They

pay capital gains tax of 30 per cent on profits they realise from cashing in their investment holdings.

The taxes paid within the fund absolve the bondholder from tax in his hands while the bond is in force. When he cashes-in, the proceeds are credited with having already borne basic rate income tax within the fund and so are usually tax-free for basic rate taxpayers; but irrespective of whether the rise in the value of a bond is due to reinvested income or to capital gains, it may be liable to higher rates of tax in the hands of a well-off saver. Liability to higher rates of tax is calculated on the Inland Revenue's complicated "top-slicing" principle, which has the effect of spreading the gains over the investment period.

The rules for top-slicing, set out in the panel, mean that higher rate taxpayers have a lower total tax bill on investment income than they would if they invested direct. High rate taxpayers, however, pay very high tax on capital gains. Tax on cash withdrawals is deferred until the bond is cashed in, provided that no more than 5 per cent of the initial investment is withdrawn each year and the cumulative withdrawals do not total more than 100 per cent. On cashing-in, the withdrawals will be counted in calculating the total gain for higher rate taxpayers. Even so, the deferral of the tax bill can represent a considerable cash-flow advantage. Bonds are at their best in

providing a secure high return for high-rate taxpayers. They are ideal for high-yielding gifts: the high-rate taxpayer can withdraw 5 per cent a year and the balance of any income from the underlying securities is reinvested for him, to add to the value of the bond.

Bonds can cut the effective rate of a 60 per cent taxpayer to 55 per cent. Add for a 96 per cent taxpayer, the effective rate is cut to 78 per cent.

The underlying funds are run in unit trust lines with investors being allocated 50 many units. The unit prices are quoted in the newspapers and usually involve a spread of a little over 5 per cent between bid and offer prices. Most of the spread is accounted for by the initial management charge the insurance company levies—usually 5 per cent.

The insurance company also takes an annual management charge—usually 1 per cent but in some cases up to 1.5 per cent.

By contrast, unit trusts which charge 5 per cent initially are allowed to charge no more than 1 per cent annually.

Bonds have a major advantage for investors who want to back their investment judgment and switch their money rapidly from one specialist fund to another. An investor switching within a bond can often do so free of charge or for a much lower charge than he would have to bear if he invested either in shares or unit trusts direct. Direct investors in unit trusts, for instance, usually lose at least 5 per cent for high rate taxpayers. They switch, even where they make the switches between funds in the same group.

How the tax sums work

WELL-OFF savers should study the tax position before cashing-in an insurance bond. The rules for calculating liability to higher rate tax on bond proceeds are labyrinthine—and contain a particularly dangerous pitfall for people whose income is just below the level at which higher rate tax becomes payable.

In accordance with the Inland Revenue's "top-slicing" principle, your gain is divided by the number of years you hold the bond. The resulting "slice" is added to your current year's income. If this calculation puts you into higher rates of tax or if you are already paying tax at

higher rates, you will have to pay tax on the bond's proceeds. The tax rate payable is the appropriate rate of higher tax less a credit of 33 per cent. The tax bill on the slice is multiplied by the number of years concerned to give your total bill.

So, you realised a gain of £1,000 on a 10-year-old bond last year and your total taxable income from all other sources was £8,500. On the top slicing principle the cash-in adds £100 (£1,000 divided by 10) to last year's income. The rate payable is 40 per cent—the rate levied last year on the band of taxable income between £8,000 and

£9,000—less 33 per cent: so the tax bill on the slice is £7 giving a total of £70.

To see how people just below the threshold for higher rate tax suffer, take the case of an investor with taxable income of £7,001 last year. If he cashes-in a gain of £2,000 on a two-year-old bond, his income will be boosted to £9,001 on a top slicing basis—so he is just £1 into the 40 per cent tax bracket. But thanks to an anomaly in the rules, the whole of the gain will be taxed. His bill will be £140—7 per cent of £2,000 multiplied by two.

A legal way to cut costs

AS LAST WEEK'S announcement from Commercial Union indicated, motorists face a new wave of increases in car insurance rates. So what can you do to fight back?

One promising idea has come from the Bradford-Pennine insurance company. It is adding legal expenses insurance to its third party, fire and theft cover: the package costs little more than half what you pay for fully comprehensive. The legal expenses insurance gives you up to £5,000 to sue where the other side is "partly or

totally to blame for damage to your car. You have, of course, to carry the can for damage to your car if you are to blame; but this may not be a daunting risk if you drive an inexpensive car.

For those who cannot afford to take this risk the alternative is to take out fully comprehensive with a large excess and add legal cover. The savings in premium would be less but the motorist would be covered for much of the damage if the accident was his fault.

The legal cover is underwritten by DAS Legal Expenses Insurance. It reserves the right not to pursue legal action for policyholders: its criterion is that there should be reasonable prospects of success.

Bradford-Pennine, a member

	Implementation date of latest increase announced	Increase	Increases more often than once a year?
Bradford-Pennine	January 1, 1979	£3 per policy	No
Legal & General	January 1, 1979	8%	Yes
Prudential	February 1, 1979	9%	Yes
GRE	April 1, 1979	12%	No
Royal	April 1, 1979	10%	Yes
Sun Alliance	April 1, 1979	12%	Yes
Northwich Union	May 1, 1979	11%	Yes
Commercial Union	June 1, 1979	12%	No
CIS	July 1, 1979	Not available	No

of the Phoenix Assurance group, deals only through insurance brokers. DAS is 50 per cent owned by Phoenix, hence the tie-up.

If you want to stick with traditional comprehensive cover, watch out for the way the timing of increases can make your company uncompetitive when you come to renew. Ideally, insurance companies should put up their motor rates every month to reflect rising costs. But for administrative reasons, they usually cannot change their rates more often than every six months or more.

So motorists need to pick a company that is due to increase its rates shortly. For the chances are that at that time it is one of the cheapest in the market.

The table shows the date when the leading insurers last

raised their motor rates. Bradford-Pennine looks a good bet at present.

Motorists can save themselves trouble by dealing with a broker who uses Quotel, which provides an insurance quotation and information service that keeps brokers up-to-date on motor rates covering many cars and districts. A broker using this service can see very quickly the best insurance companies to meet each individual motorist's case.

The trend towards switching by policyholders does not help the insurance companies, of course: a massive turnover of policyholders adds to costs. It is therefore surprising that companies have done so little to encourage motorists to stay with them. Legal and General operated a loyalty bonus for many years but has now dropped it.

Breaking new ground

THE TRUSTEE Savings Banks broke new ground this week with a new household insurance policy which is so streamlined that it can be taken out at any bench while you wait.

The TSBS' major innovation is to require policyholders to accept a standard minimum level of cover.

This saves policyholders the time-consuming chore of having to estimate rebuilding costs and the value of their possessions for themselves.

The minimum cover level varies depending on the size of the house and its location. Thus if you live in a two-bedroomed terraced house in London, your minimum cover is £32,000 for the building and £6,000 for the contents. Only policyholders with more valuable possessions than the norm or a home with unusual rebuilding problems will need to work out the sums for themselves.

The level of the standard cover is laid down in ready reckoners which enable TSBS branch managers to quote premium rates on the spot. And it will be in-

HOUSEHOLD INSURANCE

ERIC SHORT

creased each month in line with appropriate inflation indices. Premiums will increase each year in line with the rising cover levels. And, to save on administration, they will have to be paid by direct debit with most household policies, the insurer has to chase up policyholders on every renewal.

A further cost-saving move is that policyholders will have to pay the first £25 of most claims—thus screening out irritating small claims which add disproportionately to insurers' administration problems.

The TSBS have dispensed with the "full insurance" clause which restricts the cover in most household policies: under this, the value of any claim for a partial loss is scaled down to the extent that you

are found to be under-insured. The TSBS policy will pay all claims without fuss provided they do not exceed the sum insured.

The scheme, underwritten by Provincial Insurance, provides competitive rates in most areas. The basic rate for building is £1.12 per £1,000 of cover. But for policyholders in London the rate is £1.40. Elsewhere in the South-East and in Scotland, the rate is £1.26. Most insurance companies charge a standard rate of £1.25 throughout the country.

The TSBS plan's contents rate is harder to compare but a quick check around the market indicates that it also should be competitive in many areas.

The main market for this plan, initially at least, is for housebuyers who avail themselves of the new TSBS mortgage facilities. It was an obvious move on the part of TSBS once it entered the mortgage market to have its own household insurance contract, though as yet the TSBS cannot do its own underwriting.

Meet the visiting Americans

IN THE PAST, the opportunities available to British audiences to see the best in new American art were few and far between; even today, an exhibition of post-war American art drawn from British private collections would not be

particularly impressive, although it would contain some surprising things. Currently running, however, are no less than four important exhibitions devoted to American artists—Morris Louis at Waddington Tooth, Eva Hesse sculpture at

FT/SOTHEBY

IAN BENNETT

the Whitechapel, Eva Hesse drawings at the Mayor and recent sculpture and drawings by Don Judd at the Lisson. It is with the last three exhibitions that I am concerned here.

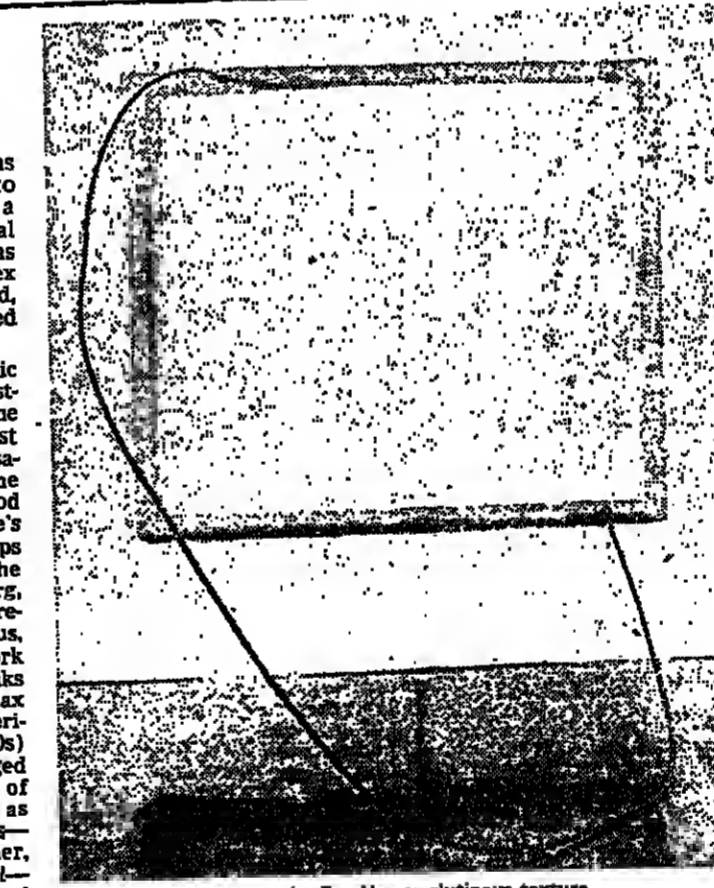
Eva Hesse is a name probably not well known to the majority of British students of contemporary art, even though she has assumed something approaching legendary status in the U.S. Born in Germany in 1936, she and her family fled to America in 1939. Her first significant works date from around 1961: nine years later, at the age of 34, she died from a brain tumour in New York. In the

eight years in which she was able to employ her talents to the full she developed a strong, visceral, sculptural mode using materials such as string, surgical hose, wire, latex and papier mâché bound, tied, looped, sprayed and dangled over either hard or soft cores.

The results are characteristic of a certain direction in post-war American sculpture; the word "sculpture" in most people's minds creates a sensation of hardness, from the materials—bronze, stone, wood—normally employed; in Hesse's work and in that of perhaps the best known sculptor of the last 20 years, Claes Oldenburg, hardness is no longer a prerequisite. The soft, glistening, texture of both sculptor's work is not entirely new (one thinks of Medardo Rosso's work in wax or certain Surrealist experiments in the 1920s and 1930s) but has, nevertheless, changed fundamentally the notion of what constitutes sculpture, as the work of other Americans—Flavin, André, LeWitt, Sonnier, Judd, Smithson, Nauman et al—have moved the sculptural "object" in a direction of spatial abstraction not encountered previously in the Western tradition.

Eva Hesse was the product of a quite remarkable artistic melting-pot boiling away in New York during the 1960s. She was part of a group of artists who have become recognised subsequently as the protagonists in a movement which, at its most basic, may be seen as a reaction against the slick commercialism of "Pop" art. Even in her first gallery show, "Drawings: Three Young Americans," at the Heller Gallery in 1961, her talents were recognised; Don Judd, one of the few major artists of recent times to have written regular art criticism, reviewed the show, one of several of major or minor significance he covered during the spring of 1961 and, with remarkable perceptiveness, commented: "Probably in a few years the work of one of these three artists will resemble that shown here. Eva Hesse is the most contemporary and proficient. Her small and capersome ink-and-wash drawings are a combination of the stroke (used both as sign and association) and of encompassing rectangles." Of Hesse's fellow-exhibitors in the Heller show, Don Judd and Harold Jacobs, little more has been heard.

In the years immediately following her death, Hesse became both a saint of the feminist movement and an undisputed major master of modern art. Tragedy has a habit of blunting the edge of objective reality, and statements were made about her work which almost certainly would not have been



Hang up by Eva Hesse: glutinous texture

made had she lived. In a curious, but altogether inevitable, way, her life, work and premature death have taken on the same mystical significance in the 1970s as did the closely similar course of Sylvia Plath in the 1960s.

Something of the absurdity of this biographical movement can be seen in Rosalind Krauss' introduction to the Whitechapel catalogue, in which she seems to suggest that Hesse was suddenly elevated from humble status to a major force in 20th-century Western art simply by having one of her works reproduced on the cover of Artforum, a magazine which, for all its undoubted merits, is certainly not Holy Writ. In fact, criticism in the past 10 years has been responsible for a not altogether unsuccessful attempt to atrophy the English language, then the principal blame must be laid at the editorial door of Artforum. That Hesse was an artist of peculiar power and imaginative brilliance must be obvious to anyone visiting the Whitechapel or the Mayor Gallery; that she was an artist of major significance is a judgment which only history can endorse.

The new sculpture by Don Judd at the Lisson Gallery continues to explore the same concerns with spatial modes first tackled by the artist some fifteen years ago. Indeed, it is just this consistency of concept which has engendered a critical attitude towards Judd's work; which suggests that, for an artist of considerable status and influence, his ideas seem

somewhat limited. However, within the particular method of exploring space, colour and texture which Judd uses, small changes, subtle nuances and minute shifts of emphasis can create tremendous visual differences.

It would be difficult to deny that the work currently on view at the Lisson is of extraordinary beauty; in some cases, particularly the "Progressive" in lemon yellow, and heavily textured galvanised metal, the result is so visually rich as to border on vulgarity. The huge stacking piece, however, with its blue plexiglass interior setting up weird optical illusions, is probably one of the artist's masterpieces and one hopes that a major British institution such as the Tate will seriously consider acquiring it as a step towards rectifying the very inadequate showing of Judd's work in British public collections. The beautifully constructed large copper and blue plexiglass box is also one of the most noteworthy examples of contemporary sculpture to have been seen in London for many a long year.

The new sculpture by Don Judd at the Lisson Gallery continues to explore the same concerns with spatial modes first tackled by the artist some fifteen years ago. Indeed, it is just this consistency of concept which has engendered a critical attitude towards Judd's work; which suggests that, for an artist of considerable status and influence, his ideas seem

How to capitalise on the Conservatives' success

There is no doubt that, as a result of the recent election, the investment outlook has changed dramatically.

Clearly, there has never been a better time to review your investments—as, with skilled advice, there are outstanding prospects of achieving substantial capital growth and of increasing spendable income.

As the new Government settles down to its first Budget, we believe that a skilled assessment of your investments—on our usual professional, confidential and personal basis—can help you to make the most of the latest developments. Indeed, by calling upon the services of Investment Research, recognised leaders in the field of U.K. and overseas sector analysis, we would expect to help you capitalise on the Conservatives' success.

If you would like to know more, please return the coupon without delay.

At the same time, you might like to buy a copy of Julian Gibbs' new booklet, "A Simple Guide to Lump Sum Investment", please send a cheque for £1.00 (inc. p. & p.) to Julian Gibbs Associates Ltd., 9 Manchester Square, London W1M5AB.

Julian Gibbs Associates Limited, 9 Manchester Square, London W1M5AB. Tel: 01-487 4495.

Please send me: Details of your investment counselling service (please tick)

Julian Gibbs' new booklet, for which I enclose a cheque for £1.00

Name _____ Address _____

Tel. No.: Day _____ Home _____

Date of Birth: _____ Tax Rate _____

Portfolio Value £ _____ Present Income £ _____

Building Society Investors

15.0%
22.3%

can be obtained from a regular investment into a Building Society Linked Plan.

For higher rate taxpayers the yields are also quite exceptional e.g. 13.7% net can be obtained by 50% taxpayers which is equivalent to 26.3% gross.

*Dependent on age. Not available to Males over 65 and Females over 62.

R. J. Temple & Co., Taxation & Investment Consultants, Head Office, Starbridge House, 27 Grand Parade, Brighton BN2 2DS.

Tel: 0273 50212 or 681868. Please send me full details of this Investment Plan by return.

Name _____ Address _____

Tel. _____ Birth Date _____

Highest Tax Rate (including investment income surcharge if applicable) _____

I have available to invest: _____

monthly/annually _____ FT

BRITANNIA INVESTMENT MANAGEMENT

In the first quarter of 1979 no less than 4 of the top 10 and 5 of the top 40 best performing U.K. authorized unit trusts were managed by Britannia Trust Management Ltd.

You could benefit from Britannia's investment expertise by investing in the wide range of Britannia unit trusts. For people with £10,000 or more we offer our Special Unit Trust Portfolio Management Service.

*Source, Pioneered Savings Magazine

To: Keith Crowley, Director, Britannia Trust Management Ltd., 3 London Wall Buildings, London Wall, London EC4M 5DL. Tel: 01-583 5777

Please send further details of:

- Unit Trust Portfolio Management Service (min. £10,000)
- Britannia Trusts (min. £500: Professional Trust 1000 units)

 Name _____ Address _____

BRITANNIA TRUST MANAGEMENT

UNIT TRUST AND INSURANCE OFFERS

	Page
M & G Group	1
Britannia Financial Services Ltd.	8
Tyndall Assurance Ltd.	18
Gartmore Fund Managers	21
Schlesinger Trust Managers Ltd.	30

FFI TERM DEPOSITS

Today's rates 11½-12½

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 8.6.79 are fixed for the terms shown:

Terms (years)	3	4	5	6	7	8	9	10
Interest %	11½	11½	11½	11½	12	12½	12½	12½

Deposits and further information from the Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE8 8XP. (01-928 7822 ext. 367). Cheques payable to "Bank of England, a/c FFI"

Finance for Industry Limited

WADHAM STRINGER

ROLLS-ROYCE

Official Distributors for Rolls-Royce and Bentley.

H.A. FOX
34 Dover Street, London, Tel. 01-499 8962

1978 June Rolls-Royce Silver Shadow II Saloon. Chestnut, beige leather. Speedometer reading 1,350 miles.

1978 June Rolls-Royce Silver Shadow II Saloon. Caribbean Blue. Magnolia leather. Speedometer reading 6,250 miles.

1977 May Rolls-Royce Silver Shadow II Saloon. Brewster Green, Tan leather. Speedometer reading 5,500 miles.

1976 Aug. Rolls-Royce Silver Shadow Saloon. Regency Grey. Dark Brown leather. Speedometer reading 24,000 miles. £26,500

1976 Feb. Rolls-Royce Silver Shadow Saloon. Pewter. Green leather. Speedometer reading 39,500 miles. £25,000

1976 Jan. Rolls-Royce Silver Shadow Saloon. Walnut. Beige leather. Speedometer reading 41,000 miles. £25,000

1974 May Rolls-Royce Silver Shadow Saloon. Shell Grey. Green leather. Speedometer reading 38,000 miles. One owner. £22,750

1974 Apr. Rolls-Royce Silver Shadow Saloon. Regency Bronze. Red leather. Speedometer reading 45,000 miles. £21,950

1973 May Rolls-Royce Silver Shadow Saloon. Black over Walnut. Black leather electric sliding sunroof. Speedometer reading 38,000 miles. £18,950

1973 May Rolls-Royce Silver Shadow Saloon. Walnut. Beige Everflex roof. Beige leather. Speedometer reading 59,000 miles. £17,950

GUILDFORD
Woodbridge Road, Guildford, Surrey, Tel. 08231.178. 859255

1978 Sept. Bentley T2 finished in Black Green with Beige hide. 5,000 miles.

1978 Mar. Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide upholstery. Fitted with hide dashboard and picnic tables. 10,500 miles.

1977 Oct. Rolls-Royce Silver Shadow II finished to Ebor Green with Magnolia hide nipped-in Green. Magnolia Kneeroll and radio surround. Green Everflex roof. 10,500 miles.

1976 May Rolls-Royce Silver Shadow finished in Shell Grey with Surf Blue hide upholstery. 35,000 miles.

1975 Mar. Rolls-Royce Silver Shadow finished in Peacock Blue with Beige hide. 33,000 miles.

TORQUAY
Lisburne Square, Torquay, Tel. (0803) 24321

1976 Jan. Rolls-Royce Corniche 2-door Saloon finished in Silver Chalice with a Black Everflex roof and Red upholstery. Speedometer reading 23,750 miles. £38,500

1977 Aug. Rolls-Royce Silver Shadow Series II Saloon. Willow Gold. Brown Everflex roof and Beige hide upholstery. Speedometer reading 3,000 miles.

1974 Aug. Rolls-Royce Silver Shadow Saloon Flared Arch Model finished in Seychelles Blue with Blue hide upholstery. Speedometer reading 61,000 miles. £19,250

1969 Jan. Bentley T Series Saloon finished in Shell Grey with Red hide upholstery. One owner. Speedometer reading 33,000 miles. £15,500

For that special car—
some special finance.

A comprehensive range of leasing packages is available from

WADHAM STRINGER LEASING
Waterlooville (07014) 61221

Other Quality Cars

NORTHAMPTON
592 Wellington Road, Northampton, Tel. 401141

Mercedes Benz 200 (T7-W123 Series) finished in Mid Blue. £6,895

Mercedes Benz 280 SE finished in Red Metallic. Fitted automatic transmission, electric sunroof, and V8 stereo. £8,995

Mercedes Benz 230 finished in Yellow. Fitted with electric windows and stereo radio. £8,995

1978 (T) Rover 3500 finished in Atlantis Blue. £8,695

West End Executive Cars

offer the following exceptional motor cars:

Rolls-Royce Silver Shadow II, Seychelles Blue with Silver Chalice interior. Delivery mileage.

Rolls-Royce Silver Shadow, 1977, Willow Gold with tan hide. 6,500 miles.

Rolls-Royce Silver Shadow, 1978, Peacock blue with tan hide. 14,000 miles.

Mercedes 280SE, 1976, Maroon. 36,000 miles.

Porsche Turbo, 3.3litre, Gold. Delivery mileage.

The above are only a small selection of our range of luxury motor cars. For full details, telephone J. Wildman on 01-229 6681.

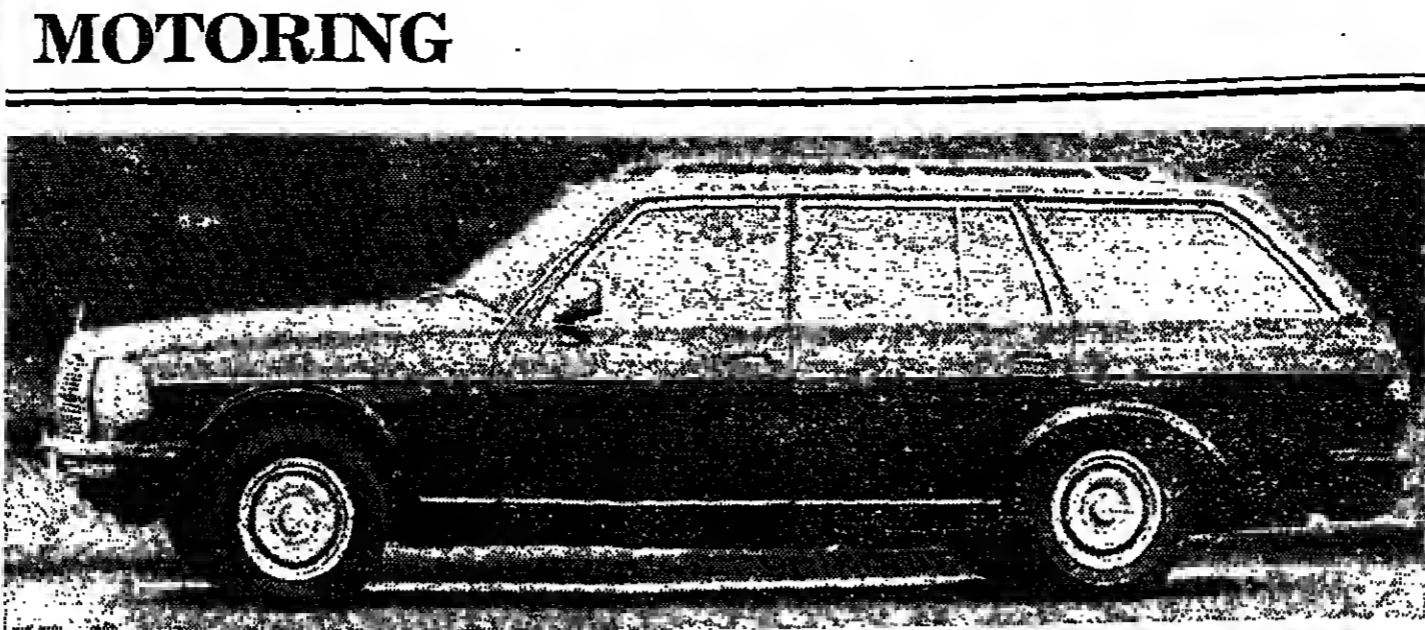
Deimler Van den Plas 4.2LWB Jaguar XJ12 FT Coupe

1977 (March). Metallic beige with matching leather interior and black vinyl roof. Automatic. PAS, and the latest specification including air conditioning, chrome wheels, centre locking, radio/stereo, etc. 21,000 miles only. Chauffeur driven. Works maintained. Virtually unmarked. £7,450

1976 (Nov. 77 mod.). Dark blue with black vinyl roof and black leather. Automatic. PAS and fuel injection. Also fitted electric limited slip differential, chrome wheels, centre locking, air conditioning (auto-type), 24,000 miles only. Superb appearance and performance with increasing assets value. £6,450

The above cars are company executive sales. Terms/Leasing facilities could be arranged for prospective purchaser. Both ours are offered for trial and examination.

Please contact Mr. Buxton, tel: (0283) 21983/219208.



The new Mercedes 280TE Estate.

Mercedes turns to estates

BY STUART MARSHALL

TWO THINGS can be said of the £12,995, 121 mph Mercedes-Benz 280TE without fear of contradiction. It is both the most expensive and the fastest series production estate car in the world. You pay almost twice as much for it as you do for the Citroën Safari (from £6,562). The Ford Granada Ghia 2.8i—perhaps its nearest equivalent—costs £9,301 and the Volvo 265 GLE estate is £9,603.

There is a far costlier Mercedes 360 SE estate, but this is a conversion made by Crawford Engineering. It sells for £19,650 and is produced in handbuilt whereas the Mercedes-Benz "T" cars—the first "official" Mercedes estates—are rolling off the assembly tracks at Bremen at the rate of around 30,000 a year.

It is an arguable proposition, of course, but the 280TE could lay claim to being the best estate car in the world as well as the fastest and dearest. Owners who expect their load carrier to have the refinement, performance and sheer driveability of a top class executive saloon will probably think so.

The 280TE is the flagship of the Mercedes estate car range that went on sale in Britain this week. Also available is the 240TD, with a four-cylinder diesel engine. The petrol engine 350T, with a carburetted six-cylinder, will follow very soon.

Although the "T" cars are new to us, they have been in production for more than a year. They have become a familiar sight at places like Port Grimaud, in the south of France, where messing about in hosts can be taken to mean re-creating your ocean-going motor cruiser with champagne and canapes for that night's party. And what better car to go to collect the cases of Dom Perignon in than a Mercedes estate?

The 240TD, which has a top and cruising speed of 89 mph, costs £9,795; the 250T, with a 113 mph maximum and which seems to go virtually as well as the fuel-injected 280TE, will cost £10,985.

Britain is the best export market in Europe for the fanciest Mercedes cars like the "S" class and the sports models, which are well-loved by buyers as professional as well as recreational use. Having tried all three of them, I can see no reason why they should not be entirely satisfied with their choice. In performance—quietness included which is rare for a big-bodied estate—the estates are identical with the other models in the Mercedes "compact" range. They ride with the same firm comfort and feel totally secure however hard you drive them.

On the autobahn, where you can still keep both eyes on the road ahead while cruising legitimately at 100 mph-plus, the Mercedes estate car range is well-served. The 240TD settled down at an indicated 88-90 mph, its engine making a faint baritone hum and reminding me it was diesel only in traffic with its chugging kind of tick-over.

Fully independent suspension can be a drawback in estate cars because a heavy load reduces ground clearance at the back. Mercedes (like Citroën) very sensibly have a self-levelling suspension. It keeps the ride height constant regardless of load and handling fully laden is the same as it is when running light. Maximum payload

is 580 kgs (1,221 lbs) or 700 kgs (1,546 lbs) with reinforced rear suspension which is available only on the 250T. The extra-weight pack for the faster 280TE depends on the axillar bolts of tyres that will cope with 120 mph cruising and the higher load. Michelin TRX could well be the answer.

Interior equipment is just like that of the equivalent Mercedes saloons, central door locking included. The estates have wash-wipe on the tailgates, which lift easily with gas pressure assistance to reveal carpeted load floors 4 ft 7 ins wide and 4 ft deep, extending to 5 ft 10 ins with the rear seat lowered. They all have roof racks which, by some miracle, do not cause wind whistle at speeds of 100 mph or more. Backward facing occasional seats that lift up from the load floor, and rear seat backs that fold separately or together, can be specified.

It has taken Mercedes a long time to get around to making an estate car. Until Ford started mopping up the German market for big estates with the Granada, they seem to have considered it was a bit beneath their dignity. But having taken the plunge, they have got it right first time. With Mercedes, it's what one expects.

MERCEDES-BENZ IN LONDON

Mercedes 250 1977. Sleek red finish, 23,000 miles, fitted electric sunroof, tinted glass, radio/stereo. £24,950

Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model.

Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model.

Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model. Mercedes 240 CE 1978 Model.

ROCKET AGE PERFORMANCE

BRISTOL

412 5/2 Convertible Saloon £29,250 or less

368-370 Kensington High St., London W14 8NL - 01-603 5556

DRAWING ROOM COMFORT

Brighton Car Concessionaires

NEW FERRARI FOR EARLY DELIVERY

308 GTB, black/magnolia
308 GT4 Metallic green/taupe
308 512 French racing blue/magnolia
308 Automatic Midnight blue/magnolia

M-Bure 420 SLC Silver/red leather 778
M-Bure 280 SE Red/black cloth 771
M-Bure 280 Yellow/mocha cloth 778
M-Bure 300 Ivory/leather cloth 778
Ferrari 308 GT4 Red/black leather 781

Distributors for FERRARI Brighton 0273169841 OPEN 7 DAYS A WEEK

Lincoln Street Motors AND DISTINCTION

CARS OF QUALITY

Mercedes-Benz 280 SE Coupe, V8, silver, ESR. Superb condition for its year. Classic collector's car, ideal investment. £15,500

Rolls-Royce Silver Shadow, 1978. T Reg., wash/wipe model, 2,000 miles, Walnut. £38,950

Rolls-Royce Silver Shadow, 1975. BMW 720 Auto, 1977/78. S Reg. R Reg., black and beige hide, £23,950

Rolls-Royce Silver Shadow, 1971. Finished in metron coachwork with black Everflex roof. Superb condition for year. £15,500

Mercedes-Benz 450 SLC, 1977. White coachwork, excellent throughout. £18,999

Lincoln Continental Mk. V. Every conceivable extra including moon roof. 1978. T-reg. £10,500

Range Rover, 1977. S Reg. Light beige. Superb condition. £9,700

Panther De Ville. Two-tone gold mat. 4,000 miles. ESR custom interior, magnificent. £27,950

BMW 720 Auto, 1977/78. S Reg. R Reg., black and beige hide, £23,950

BMW 520i Auto, 1977/78. S Reg. R Reg., 11,000 miles. £13,999

BMW 520i CSi Auto, 1977. Met. copper. 18,000 miles. Superb condition for year. £15,500

Ferrari 308 GT4 2-seater, 1977. Met. blue, air cond., £12,999

Telephone 01-460 3434

REGISTRATION MARKS

CAR MARKS

OF HULL

A13	£2,750	32 BMW	£485	JA 777	£1,225	RP 11	£1,985
1.DT8	£1,750	BH 10	£2,550	JET 11N	£450	333 RW	£585
1.HLO	£1,150	OC 10	£2,595	JET 4	£2,950	1 SHOE	£675
1.VF 1	£1,050	OH 99	£1,725	JF 12	£1,550	SN 43	£725
KY 1	£2,450	285 0	£280	32 KX	£4,777	SA 777	£525
NA 1	£1,295	8228 ON	£190	LL 12	£1,295	18 SKT	£195
OT 8	£2,550	C3E	£375	LC 9	£225	14 555	£225
TH 1	£1,250	FL 10	£1,595	412 MW	£250	27 TE	£195
XKE 1	£1,850	GWR 142	£125	758 RH	£235	WM 6	£2,450
YAW 1	£850	CV 2	£1,450	ROM 10	£220	WNC 2	£2,950

Similar numbers always wanted.

Tel: Hull (0482) 2563/27070—daytime or Hull (0482) 65223—even/Sunday, P.O. Box 93, Hull HU1 3EZ.

Ian anthony

Ian Anthony quality used cars. Featuring Porsche, BMW and a selection of hand picked, high performance vehicles. All high in stature, low in mileage. And all meticulously serviced and valeted by factory trained personnel prior to delivery. Here's this week's register.

PORSCHE

Ian Anthony Sales (Knutsford) Limited, King Street, Knutsford, Cheshire, Tel. 0563 52737.

1978 220 Automatic. Guards Red, Black/White interior, all usual refinements, low mileage.

1978 Model 924 Automatic. Minerva Blue metallic, Cork interior, 4,000 miles, superb condition, side rubbing strips.

1978 911 SC Sport Targa. Patrol Blue with Cork interior, only 6,000 miles, a fine example.

1978 924 LUX. 2.300. Red, Black/Herringbone interior, radio, low mileage, one owner.

Low mileage, late model Porsches, all models urgently required for cash.

Ian Anthony (Sales) Limited, Glaesener House, Walmsley Road, Bury, Tel. 061-761 2221/2/3.

MERCEDES-BENZ

1977 450 S.C. Metallic Milan brown, brown leather, 217,000 miles. £9,500

1978 480 S.C. White, 20,000 miles, etc. cond. £12,950

1977 450 S.C. Metallic Milan brown, brown leather, 217,000 miles. £9,500

1978 480 S.C. White, 20,000 miles, etc. cond. £12,950

1977 230 E. Varnish Green, alloy wheels, £10,500

1978 240 CE. Metallic Milan brown, parchment cloth, leather, cruise control. £12,950

1978 240 E W123. Milano most green cloth, 25,000 miles. £9,750

1977 230 E. Varnish Green, alloy wheels, £10,500

1978 240 CE. Metallic Milan brown, parchment cloth, leather, cruise control. £12,950

1977 200 D. White, blue cloth, 13,000 miles. £8,250

1978 300 D. Mercedes Automatic Motorhome, fully equipped, 19,000 miles, etc. £19,900

Choice of diesel from £4,150

All cars are fitted with automatic transmission, PAS, power windows, wash/wipe, etc. 12 month guarantee.

MILCARS OF HILL HILL

The Complete BMW Dealer

Lessee your BMW the Milcars way. A selection of used BMWs

1979 733i Chemonik white, blue cloth interior, central locking, tinted glass, electric windows, radio/cassette. £13,600

1977 633 CSI AUTOMATIC Polaroid metallic silver, black interior, air conditioning, radio/cassette. £12,000

1977 528 AUTOMATIC Rosita metallic green and interior, tinted glass, radio/stereo, cassette air cond., pre-heater, wash/wipe. £6,500

1979 518 AUTOMATIC Biscay blue, blue cloth, tinted glass. £5,500

1976 3.0L AUTOMATIC Flood metallic blue, blue cloth interior, tinted glass, radio. £5,500

The above are available for lease.

16/18 Hale Lane, Hill Hill, London, NW7 Tel: 01-859 8961

Parkside Garage Ltd.

KNUTSFORD

1978 April T-reg. Rolls-Royce Silver Shadow—27,000 miles. Pewter over Macfadyen. All usual RR refinements. One owner. £25,750

1978 April Rolls-Royce Silver Shadow—25,000 miles. Silver Mink with beige upholstery, cassette player, all usual RR refinements. £22,250

1976 Jan. Rolls-Royce Silver Shadow—45,000 miles. Walnut with beige upholstery. All usual RR refinements. One owner. £22,250

1988 Rolls-Royce Mulliner Silver Shadow 2-dr. Saloon. Walnut with tan interior. Sunroof, glass, radio/cassette, electric central door lock, full service history. £13,950

Tel: 0545-830 151

YOU'RE ONLY SECONDS AWAY BY PHONE

from the best selection of new

VOLVO

in West London

call us now—01-470 3152

LEASING SPECIALISTS

KENSINGTON CAR CENTRE

165 HUNTINGDON STREET, Tel: Nottingham (0602) 582831

Open Sundays 9-1

BOOKS: Sports, games and pastimes

Cricket chronicle

BY C. P. SNOW

A History of Cricket by Trevor Bailey with an introduction by Sir Donald Bradman...

This is a sparkling book of Trevor Bailey's, handsomely produced, magnificently illustrated...

A great deal has been written about cricket, but nothing as good as anything like a professional history...

Think of the legend of Hambledon, on which Bailey spends a passing word in his rush through the couple of hundred years before he himself has first-hand knowledge...

The Hambledon Club, cricket was being widely played and at about the same stage of development...

There is a lesson to be drawn out of the Hambledon legend. It shows what a good journalist can do...

Clarke was a friend of Keats and lived to a great age. He was a schoolmaster by occupation...

If professional historians had set to work on cricket, Clarke's glorification would have been made obvious years ago...

One of the joys, and there are many, of Bailey's book, is that when he deals with the nineteenth-century onwards, it is utterly authentic...

ever does write a serious history of cricket, for that period this will be a primary source. It is written by a man of sharp intelligence and remarkable lack of excessive blarney...

However, the answer to that problem—that is, how to get the South Africans back into international cricket—is nothing like so easy as Bailey thinks...

There are 25 affectionate studies in John Arlott's Book of Cricketers. All 25 for various reasons have appeared in some way to him...



Ladies at the wicket—one of the illustrations in Trevor Bailey's new history of cricket

were not working. It was from him and his colleagues, found about the end of the forties, that defensive field placements were worked out—hence, by the way, the intolerable boredom and technical aridity of 40-over cricket...

When he is on his own ground, Bailey communicates genuine, intellectual pleasure. The only other Englishman I can think of who has written about cricket in this depth is Percy Fender...

if they came into the game today. Yet the techniques of swing and seam bowling were still baffling people except for a few rule-of-thumb prescriptions...

England v Australia Tests. I once asked that fine craftsman, Johnny Haynes, the secret of Jimmy Greaves' success as a goal-keeper...

Horsier and horsier

BY KATE MORRISON

The Kid by Pete Arthelm. Paddington Press, £5.50, 283 pages

The Equestrian Woman by Ann Martin. Paddington Press, £4.50, 223 pages

Horse Sense by Henry Blake. Souvenir Press, £4.95, 206 pages

The Classical Riding Master commentary by Dorian Williams. Eyre Methuen, £4.75, 55 colour plates

One Jump Ahead by Jean Grey. W. H. Allen, £4.95, 95 pages

Pickle and Penny by Viveka Ramstedt. Blackie, £1.95, 16 pages

According to Surteea "there is no secret so close as that between a rider and his horse." Perhaps the Kid's (alias Steve Cauton) secret to success is his close and low position over the horse's neck...

Chess power. BY LEONARD BARDEN. The Rating of Chessplayers, Past and Present by Arpad E. Elo. Batsford, £5.50, 206 pages

mately AD62. Ann Martin, in The Equestrian Woman, devotes a chapter to the debut of women on the scene. The mere handful of women with training licenses owe their status to the tenacity of the redoubtable Mrs. Nagle who pioneered the way over a period of 20 years and reached the finishing post...

The ideas and conclusions in Horse Sense by Henry Blake seem to belong to that commonsense which one could apply to most domestic animals. He talks of "intelligence" in horses and their pride in achievement...

Children aspiring to the heights of, say, David Broome, might benefit from One Jump Ahead, by Jean Grey. Presented in this book are her stable and training routines and a glimpse backstage at some of the well-known horse shows...



A reproduction from "The Classical Riding Master"—the Wilton House Collection of haute-ecole paintings—reviewed today

People who know the score

BY TREVOR BAILEY

The Best Loved Game by Geoffrey Moorhouse. Hodder and Stoughton, £5.25, 168 pages

The Wisden Book of Test Cricket compiled and edited by Bill Frindall. Macdonald and Janes, £15.00, 1,024 pages

Test Records compiled by James Gibbs. Collins (paperback), £1.95, 210 pages

Wisden, Macdonald and Janes (paperback) £4.75, 1,100 pages

A Pitch in Both Camps by Alan Lee. Stanley Paul, £5.95, illustrated, 188 pages

John Arlott's Book of Cricketers. Lutterworth Press, £5.95, 180 pages

In Defence of the Ashes by Christopher Martin-Jenkins. Macdonald and Janes, £5.95, 218 pages

This One's On Me by Jimmy Greaves. Arthur Barker Ltd., £4.95, 152 pages

In the Best Loved Game

Geoffrey Moorhouse takes a leisurely amble through the 1978 season, beginning at Lords with the opening first-class match between MCC and Middlesex, and ending with a county game at Trent Bridge in September...

The Wisden Book of Test Cricket, which has been compiled and edited by Bill Frindall, contains the full scorecard of 524 official Tests...

There are 25 affectionate studies in John Arlott's Book of Cricketers. All 25 for various reasons have appeared in some way to him...

The 116th Edition of the Wisden Cricketers' Almanack is published for the first time by Macdonald and Janes, but the basic formula for the game's bible remains unaltered...

A Pitch in Both Camps is a great improvement on those run-of-the-mill accounts of Australian tours, because Alan Lee also deals in considerable depth with Packer's WSC which was being played alongside the confrontation between traditional cricket and the new style Packer version...

England v Australia Tests. I once asked that fine craftsman, Johnny Haynes, the secret of Jimmy Greaves' success as a goal-keeper. He reckoned the little marksman had begun finding the back of the net before it had even occurred to the normal player...

Doctor touches down

BY PETER ROBBINS

J.P.R.: an Autobiography. Collins, £5.50, 254 pages

For a variety of reasons Rugby has become a much more popular, more widely appreciated game in the last fifteen years. Television has played a significant role in this, as has the development of air travel...

Some players have also become international household names and so, almost against the basic traditions of the game itself, there has been a rash of autobiographies...

Fortunately for Wales and the British Lions he opted to play Rugby and to become a doctor, though not necessarily in that order. The accounts of his

and died in Wales for his superb performances. Little of J.P.R.'s own admission was fortunate to come from a middleclass family (both parents being doctors) and the influence of his father is especially clear in this book...

J.P.R., therefore, had a basic advantage to which he added those special qualities which became the hallmark of his game. The combination of great sporting talent and parental encouragement, and an almost ruthless determination to succeed, could only lead to the greatest success...

The tours with Wales are dealt with in the book, and he has some harsh things to say about the standards of refereeing in Australia in 1978...

It was whilst at St. Mary's that he went to play for London Welsh, and came under the influence of John Dawes, to whom he pays a great and proper tribute in the book. He looks back at those days at London Welsh as being the most important formative period of his learning the art of full-back play...

His contribution to that victorious 1971 series was considerable, and now part of Rugby history. He acknowledges the important roles played by other individuals such as Carwyn James, Barry John and Gareth Edwards...

The tours with Wales are dealt with in the book, and he has some harsh things to say about the standards of refereeing in Australia in 1978. The tour was disastrous for Wales, but significantly changed Williams' philosophy...



J. P. R. Williams: a Rugby legend

On the black...

BY ANTHONY CURTIS

The Story of Billiards and Snooker by Clive Everton. Cassell, £6.95, 182 pages

You will not find the name of Terry Griffiths, the current world snooker champion, whose marathon win enthralled so many late-night television viewers earlier this year, in this history of the game by the editor of Snooker Scene...

among officers in the Indian Army towards the end of the 19th century, its fortunes between the wars, memorable frames at Thurston's, and the enormous increase in popularity that came with the advent of colour TV and the era of pot black in the 1970s...

As snooker has become a great spectator-sport, so the popularity of billiards has declined. This is a pity. Mr. Everton deals with its origins and the development of the modern game under the Billiards Association which was formed to regulate it in the 19th century...

Advertisement for John Arlott's book of cricketers, featuring a personal choice of 25 favourite players and 25 black and white photographs. Price £5.95 net.

Advertisement for 'IN DEFENCE OF THE ASHES' by Christopher Martin-Jenkins, detailing the full story of England's victory over Australia in 1978.

Advertisement for 'WORLD OF CRICKET 1979' edited by Trevor Bailey, a fully illustrated cricket annual with special feature articles.

Advertisement for 'SPORT IN THE USSR' by James Riordan, discussing the structure and organization of sport in the USSR.

Advertisement for 'EVEREST: expedition to the ultimate' by Reinhold Messner, detailing the conquest of Everest without artificial oxygen.

RESIDENTIAL PROPERTY

Strutt & Parker THE INVERINATE ESTATE WESTER ROSS AN OUTSTANDING RESIDENTIAL AND SPORTING ESTATE

BETTYGLEN HOUSE DUBLIN, IRELAND.

With c. 7.6 hectares (18.8 acres). One of the finest large houses in Dublin, built 1910, in a superb family or suitable (subject to approval) as embassy, hotel, etc.

SPAIN Promoter planning new estate on town

On a town site of some 2000 hectares in the style of Spanish Villages Costa Blanca, Alicante, Murcia, Valencia, Majorca, Minorca, Ibiza, Formentera, etc.

HOTELS

ASHLEY COURTENAY RECOMMENDED HOTELS

All are good value for money as costs continue to rise. The new 1979 Edition of 'Let's Halt While in Great Britain' personally describes over 1,400 hotels.

Montpelier Villas COTE D'AZUR SPECIAL RENTAL OPPORTUNITIES FOR SPECIFIC PERIODS

APPOINTMENTS ACCOUNTANT BERMUDA REF. 40934 Major Insurance Group requires a Chartered Accountant for their Bermuda office.

ART GALLERIES BROWNE AND DABRY, 19, Cork Street, DUBLIN AND BOND STREET, LONDON

Montpelier International Properties SOUTH OF FRANCE ALONG THE FAMOUS COASTLINE AND IN THE HILLS BEHIND

THE ELMS, HIGH EASTER NEAR CHELMSFORD DETACHED COUNTRY RESIDENCE 3 Reception 8 Bedrooms 3 Bathrooms

WOODFORD, CHESHIRE 12 miles Manchester Magnificent Bungalow Residence set in landscaped gardens with private golf course and paddock adjacent.

Taylor & Co 17 Duke Street, Chelmsford. 0245 33561. Braintree Colchester Maldon

FREEHOLD WOODLANDS M. Conroy Heath, Heris. FOR SALE BY AUCTION

BAHAMAS RENTAL WANTED On a yearly basis. Beautiful estate. Furnished. Vast garden. View of sea in Nassau or Freeport.

PARIS 28 ft x 8 ft 2 in Mobile Homes for sale. £5,500. Four-star Park, 8 miles from Paris City Centre.

TRAVEL

A LUXURY FLAT IN TORQUAY FROM AROUND £2,000 FULLY FURNISHED. THERE MUST BE A CATCH.

Montpelier Villas COTE D'AZUR SPECIAL RENTAL OPPORTUNITIES FOR SPECIFIC PERIODS

WANT TO SPEAK FRENCH? You can, through a unique 4-week programme on the RIVIERA

ALL YOU NEED IS FRENCH CERAN teaches FRENCH ONLY. It means a total immersion in the French language.



Holidays with action too

BY SYLVIE NICKELS READERS MAY have noticed from some of my earlier articles that I have a general enthusiasm for special interest holidays. I have only just fully realised, however, how huge are the horizons open to those who are healthy, reasonably energetic and preferably (but not essentially) youngish.

Australia CRUISE THERE BY ORIANA... It's not just a trip, it's the most marvellous voyage you'll ever make, and one you'll always remember.

CYPRUS THIS SUMMER Gellatly, the travel trade's Cyprus experts, still have some Cyprus holidays available.

SINGLE ROOMS IN SARDINIA Available in May, June, September One week full board at HOTEL CONCHIGLIA from £179

amathus holidays Contact us for last-minute availability at one of our self-catering villas or hotels.

LEISURE

Spring delights at Chelsea

BY ARTHUR HELLER

IT IS ENTIRELY characteristic of the engaging unpredictability of our climate that a winter of unprecedented horticultural discontent should be followed by a late spring of extreme delight.

There were plenty in view at the Chelsea flower show this past week and also a great many useful ideas on the utilisation of space in the diminishing garden plots which inflation and land scarcity are forcing upon us.

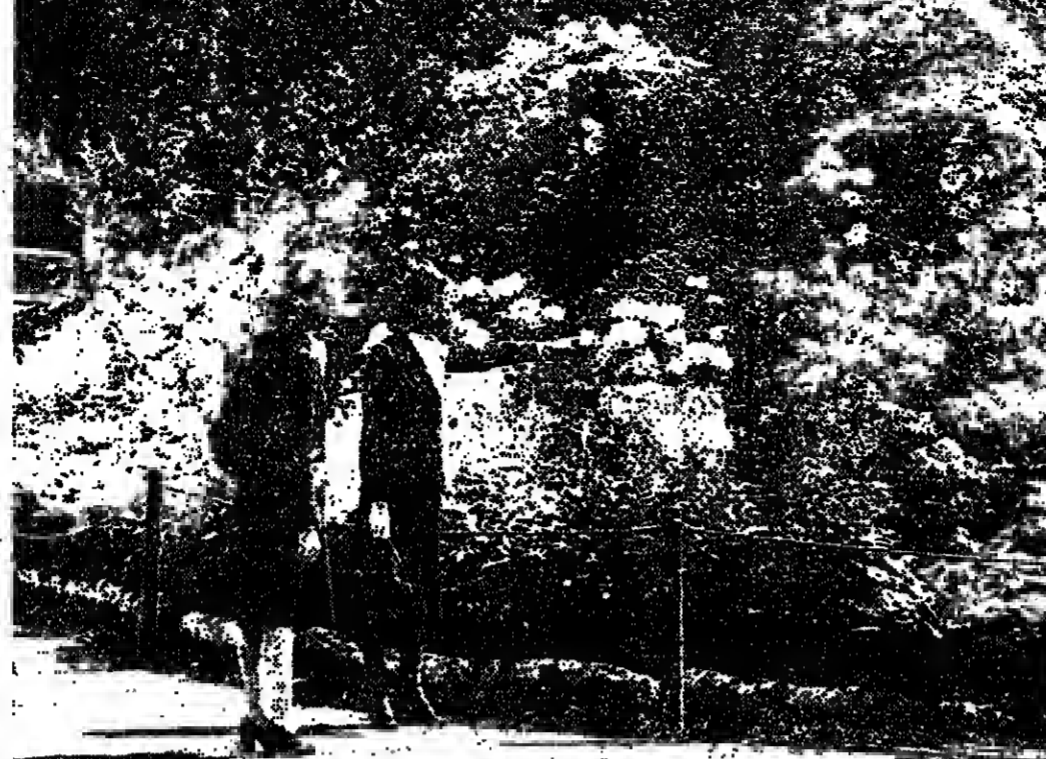


Sanson and Hedges has sponsored a new variety of rose. Raised by Sam McGredy Roses International of New Zealand, the rose will be distributed in Europe by JOHN MATTOCK (right in picture), of Oxford.

clean by constant recirculation of water combined with filtration. A number of exhibitors used still or moving water in various clever ways, there was a widespread return to the regularity and pattern making which suit tiny urban plots; better than forced informality and a welcome proliferation of fountains and cascades in forms that were both novel and pleasing.

The high quality of this Chelsea was as obvious in the exhibits of plants and cut flowers which packed the huge marquee as in the gardens which lined the main avenue and the famous rock garden bank.

rhododendrons, camellias, lilies, rock plants, hardy plants, geraniums, fuchsias, orchids, bonnets and many more. Oddly enough no one seems ever to have formed a shrub society though trees are well covered by the Arboticultural Society and the International Dendrology Society.



Royal Horticultural Society's display at this year's Chelsea Flower Show.

more since even then it would be unlikely by much to exceed three metres in diameter. Returning to those buttercups, the most remarkable are those with fully double flowers like light golden balls. These occur in several species and tend to have impossible names.

A tiny exhibit which probably escaped the notice of most visitors among so much splendour was devoted to those once fashionable but now almost forgotten plants the violas. These are miniature violas the charm of which resides in their very compact, closely knit growth and tiny pansy flowers.

of 3 Ivor Grove, New Eltham, London, who is probably an amateur with no plants for sale but might well be willing to correspond with other enthusiastic followers of the viola family.

The Garden visiting season is now in full flow. For broad details the English Tourist Board (4, Grosvenor Gardens, London SW1W 0DU) has a 50p booklet and a free gardens map.

Not one of the trio was in the top 60 money winners going into the tournament and in Geiberger's case, the tall, almost painfully thin Californian was not even close to that elite band.

Geiberger has always been beset by such physical problems as low blood sugar, and performed marvels for his country's peanut butter producers by munching sandwiches generously filled with the stuff as he strolled elegantly around hundreds of golf courses.

Victory for the old men

THOSE WHO believe that no golfer in the future will be able to eclipse Jack Nicklaus's record of winning 17 major titles would have taken heart from last Sunday's very exciting finish to the Colonial National Invitation Tournament in Fort Worth, Texas.



Al Geiberger

The fact that this most prestigious event was won by 41-year-old Al Geiberger by a stroke from 48-year-old Gene Littler and 49-year-old Don January, with Nicklaus heir apparent Tom Watson and all the other new breed of young loons floundering in the wake of this trio of golfing geriatrics, reflects the current thinking that there are at least 100 players out here on the PGA tour capable of popping out from the pack and winning in any chosen week when their putters become red hot.

Not one of the trio was in the top 60 money winners going into the tournament and in Geiberger's case, the tall, almost painfully thin Californian was not even close to that elite band.

Geiberger has always been beset by such physical problems as low blood sugar, and performed marvels for his country's peanut butter producers by munching sandwiches generously filled with the stuff as he strolled elegantly around hundreds of golf courses.

will not know what a heart stirring battle the similarly elegant Californian Littler fought and won against cancer of the lymph glands after massive surgery in the spring of 1972.

At 397 yards the 17th is the only par 4 at Colonial measuring less than 400. But it is a tricky dog leg to the right, with the second shot played through a narrow gap between big pecan and cottonwood trees to a tiny green.

Little's par 4 at Colonial measuring less than 400. But it is a tricky dog leg to the right, with the second shot played through a narrow gap between big pecan and cottonwood trees to a tiny green.

time friend and rival to take the lead for the first time at the 14th hole. But he missed the green at the 15th in trying to place his second shot close to the hole, and could not save his par from eight feet.

At 397 yards the 17th is the only par 4 at Colonial measuring less than 400. But it is a tricky dog leg to the right, with the second shot played through a narrow gap between big pecan and cottonwood trees to a tiny green.

GOLF

BEN WRIGHT

Improbable trio who fought out the finish at Colonial. January came down the finishing stretch an hour in front of his rivals, and had he not dropped a stroke at the short 16th, where he fluffed his first chip from the bank behind the green or had he only holed a birdie putt of no more than 12 feet after a marvellous second shot to the last green, I believe Geiberger would have won.

January came down the finishing stretch an hour in front of his rivals, and had he not dropped a stroke at the short 16th, where he fluffed his first chip from the bank behind the green or had he only holed a birdie putt of no more than 12 feet after a marvellous second shot to the last green, I believe Geiberger would have won.

CHESS

LEONARD BARDEN

THE FINEST attacking player in present-day chess, whose imaginative games have stimulated enthusiasts at every level in many countries, is the Latvian Mikhail Tal, world champion for a too-brief 12 months in 1960-61.

On his way to the world title, Tal's brilliant combinations, rapid play, and sometimes hypnotic glare at opponents created a legend which time and more varied results have modified only slightly.

His best games are as deep and dynamic as in his peak years, but his ability to contend for the championship has been handicapped by a chronic kidney complaint which was mainly responsible for his failures in his 1981 return match with Botvinnik and in the 1982 and 1973 interzonals.

This year one of the two world championship interzonals will be held in the resort of Yurmala, close to Tal's home city of Riga. On FIDE ratings Tal will be the third seed after Polugaevsky and Larsen, but few would be surprised if he won the tournament.

A recent Batsford book,

Complete Games of Mikhail Tal 1960-66

by Hilary Thomas includes some 450 games from his best period, some with notes based on annotations from Tal himself, while there are more detailed comments to a selection of Tal's wins in Tal's Best Games 1961-73, also a Batsford publication, by Bernard Cafferty.

One of Viktor Korchnoi's recent provocative comments on current Soviet chess was that "vodka" has dulled Tal's genius. There was little sign of it in the recent international at Montreal where the final results were Tal and Karpov 12 out of 18, Portisch 10, Ljubojevic 9, Spassky and Timman 8, Ruff, Hubner and Kavelek 8, Larsen 5.

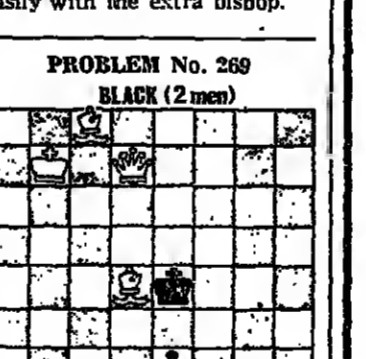
White: M. Tal (USSR). Black: B. Spassky (USSR). 1 N-KB3, N-KB3; 2 P-B4, P-KN3; 3 N-B3, B-N2; 4 P-K4, P-Q3; 5 P-Q4, O-O; 6 B-K2, P-K4; 7 O-O, P-P; 8 N-P, R-K1; 9 B-B3, P-B3; 10 K-R1, P-Q4; 11 B-K2, N-K3; 12 N-K3, N-P; 13 N-N3, R-N3; 14 N-P; 15 B-KB4, N-P; 16 B-R, B-K; 17 N-N3, Q-R5; 18 P-KR3, Q-N3; 19 N-N3, N-B3; 20 B-B4, Q-R5; 21 BxP ch? (not the most accurate. Tal later showed 21 OR-K1! B-N6; 22 BxPch, K-R1; 23 R-K3, B-RP; 24 R-R, B-K3 dis ch; 25 R-R3! and wins), K-R1; 26 R-B3, B-B4; 27 N-B3, N-K3; 28 N-N, BxN; 29 Q-B4, R-Q1? (for here

Chess Problems

KN5! PxP; 13 PxP, QN-Q2; 14 N4-N5, R-K4 (giving up the exchange looks drastic, but if 14... P-QR3; 15 N-Q6, R-B1; 16 P-K5! NxP; 17 NxB wins material while if 14... P-KR3; 15 B-R4, P-N4; 16 B-N3, N-P; 17 N-N, R-N; 18 R-P1; 19 B-KB4, N-P; 19 B-R, B-K; 17 N-N3, Q-R5; 18 P-KR3, Q-N3; 19 N-N3, N-B3; 20 B-B4, Q-R5; 21 BxP ch? (not the most accurate. Tal later showed 21 OR-K1! B-N6; 22 BxPch, K-R1; 23 R-K3, B-RP; 24 R-R, B-K3 dis ch; 25 R-R3! and wins), K-R1; 26 R-B3, B-B4; 27 N-B3, N-K3; 28 N-N, BxN; 29 Q-B4, R-Q1? (for here



Ermenkov v. Sax, 1970. Black (to move) is a rook for Queen down. Does he have a saving resource, and how should the game end?

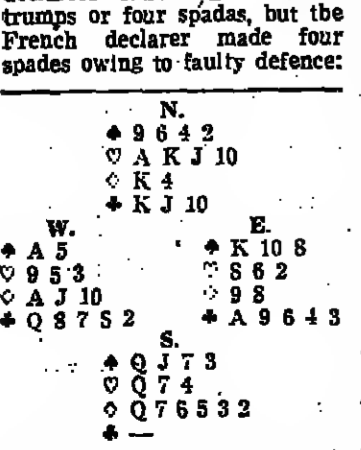


White mates in two moves, against any defence (by A. J. Lebusky, Deutsche Schachzeitung 1979). SOLUTIONS Page 12

BRIDGE

E. P. C. COTTER

THIS World Championship hand caused bidding problems to almost every team. Four declarers failed in three no trumps or four spades, but the French declarer made four spades owing to faulty defence:



With North-South game, North bid one no trump, South said two clubs, and North rebid

two no trumps, which in the system used by this pair indicated a minimum no trump with two four-card majors—hence South's jump to four spades.

West's club lead seemed to improve South's prospects when the ten drew East's Ace, which was ruffed in hand. A diamond was led to the King, East dropping the nine, and declarer returned a spade to his Queen.

If West wins the spade Queen and returns a spade, enabling East to win and play a third round, does that beat the contract? No, South still can get

home by a squeeze and endplay. He ruffs all his spade and heart winners, reducing dummy to the four of diamonds and the King. Knave of clubs, West is down to the diamond Ace and the Queen, eight of clubs. He is thrown in with the diamond, and has to resign.

The next deal, which occurred in the final, was dealt by North with North-South vulnerable:

One team was content with a contract of three no trumps; and made 11 tricks, but in the other room there was more enterprise shown. After two passes South opened with one club, a conven-

tional bid showing 17 plus points, and North replied with one spade, another artificial bid showing three "controls", an Ace counting as two controls, a King as one.

South now said two clubs and North said two spades, both natural bids, and South bid three hearts. Four clubs from North agreed the trump suit, and South made a cue-bid of four diamonds. North followed with a cue-bid of four hearts—clearly a singleton or void—which showed South that he might be able to obtain two ruffs on the table.

South bid four no trumps, not Blackwood, but a general slam try, allowing North to sign off with five clubs if his hand was not strong enough for a slam. As it was, North confidently bid six clubs.

CHAMPAGNE (Oudinot N.V. Brut)

Direct shipment from family in best district near Epernay. Dry quality - with good flavour selected by LAYTONS.

6 bottle carton = £32.50 incl. V.A.T. 8% 12 bottle carton = £64.00 incl. V.A.T. 8%

Delivery - LONDON/HOME COUNTIES up to 24 bottles = £1.50 over 24 FREE Rest U.K./Mainland up to 24 bottles = £3.50 over 24 FREE

To order: Write below or telephone. LAYTONS, 11, GOUGH SQ., EC4A 3JJ. CREDIT CARD SALES (01-353 0458) American Express, Diners, Access, Barclaycard. Other sales (01-353 0455)

Save delivery and collect from our extensive wine cellar at 28, Midland Road, NW1. (01-388 5996) alongside St. Pancras Station. Easy parking - cars loaded. TASTE before you buy - Tasting glass 25p each, refunded on purchase.

SALE of SOLID BRASS TABLES & TROLLEYS. ALSO TABLES & TROLLEYS of AMERICAN ALUMINIUM AND BLACK IRON PLATE.

DANARM Hedge-trimmer. For tree branches and details of this and other Danarm garden tools, gardening advice, return coupon with name and address to: DANARM LTD, London Road Street, Old Billings, Leamington Spa, Warwickshire CV32 9EP.

THE NIKON SPECIALIST. EURO FOTO CENTRE. High Speed, Cowboy, Ultraflash, Midge.

GOLD SOVEREIGNS AND KRUGERRANDS BOUGHT AND SOLD in strictest confidence. SHAW CAVENTISH & CO. (Bullion Dealers) Cavendish House, Chester. 0244 47541.

comfort. Comfort in a completely new kind of chair called the Suffolk Recliner. More comfortable because it changes shape to fit you as you recline. Lean back or sit up... the chair follows your every wish smoothly, automatically and your own body weight locks you in the position of your choice.

Beautiful Hardwood Furniture. Wood-look veneer elegant and low-maintenance furniture to last a lifetime. For the complete range which includes tables, chairs, sofas and kitchen units, help, visit our work-shops, showroom or send for the new brochures.

GERMAN WINE OFFER. Open Sunday and Whit Monday. Libbraumloch O.R.A. 1977 £19.90. Bareich Marlstein 1976 £19.90. Riesling 1976 £19.90. Piesporter Michelsberg 1976 £19.90. Muscatel Sevre et Maine £23.90.

pine beds meriarti. Manufacturers of the largest range of sprung pine beds - both traditional and modern designs. Singles from £60. Doubles from £80. Deliveries Throughout the U.K. MORIARTI'S WORKSHOP (F.T.) WITNESSHAM, KENT.

THE NOBLE GRAPE. 26 The Highway, London, E1. 01-488 4788/9. 24-hour Answerphone.

GARDEN SEAT & TABLE. 2 ft. or 3 ft. long benches and high tables in kit form. High quality wood frame. Rust-proofed. Chairs, made by Sussex craftsmen, £11 and £12 respectively. PVC coating available. £2 and £3 per item. Plus P & P £2 per item. For free colour brochure and special offer worth £10. Send today and receive £10.00. Sussex (0243-334).

SWISS FABRICS. Printed "RISBA" PURE COTTON IN JERSEY'S VOILS SATINS. The best of the natural fibres. FINE DRESS FABRICS. 87 Baker Street, W1. 01-488 8877. 3 mins. from Baker Street Station.

Marquee Sale (not auction) of 450 Old Oriental Rug of Kent Country House next weekend 26-28th May. Mostly £40-£1,000. Details from: East Peckham (0622) 871353.

Eye in the Sky NOW SPECIAL PHOTOGRAPHY ABOUT... a really unusual and unique gift! A beautiful crisp and sharp, black & white or colour aerial photograph of your own home, with a good deal of the surrounding area in each direction. Payment by postal order available, printed from existing negatives so cheaper than you think! Please order today. Eye in the Sky. 32 Longwood Court, Southdown Road, Brighton BN2 6PZ. Tel: 0772 72226.

HANO MONOGRAMMED BATHROBES AND TOWELS. Beautiful towels, tablecloths, accessories for your bedroom or bathroom. Cushions, baby robes, baby layette. Linen. HANO. 21 New Broad Street, W1. Tel: 01-488 4140.

Handwritten note: £11.50

ARTS/COLLECTING

Dorati's Bartok Mustard flavour

Thursday night's concert at the Festival Hall (and also broadcast on Radio 3) was the fourth of a series of six...

BY JUNE FIELD

"Vinoire qui beau et bon! Vindigre de moutarde."

MUSTARD AND its pots have a long and fascinating history, much of which is documented in the splendid exhibition...

Good master mustard seed in one plant form or another, has been known since 3000 BC in India, and writer and culinary expert Alexandre Dumas (1802-1870)...

As prepared mustard made its appearance, so did cat-tails for it. A Cayenne ester, its pierced holes blocked by the insertion of a sleeve...

From the early 1760s, silversmiths listed tankards with flat hinged lids cut with a spoon aperture, as "mustard tankards" and to 1777 the London Assay Office charged 1/4 for hall-marking "mustard cans."

lord's Household Book, started in 1512, 160-180 gallons of ready-made mustard were used each year, and it was ordered that "whereas Mustard hath been bought of the Sauce-maker...

The association of Tewkesbury with mustard was immortalised by Shakespeare's Falstaff, who said of Points in Henry IV, Part II: "His wit's thick as Tewkesbury mustard."

Commercial manufacture began with a Mrs. Clements of Dinham, c.1720, who ground and pounded the seed before sifting it in the same way as the flour obtained from wheat...

well as salts, peppers and mustards, which came in the shape of Punch and Judy, pigs and monkeys, cats and dogs, babies' heads and clowns.

By John Culme of Sotheby's Belgravia and a glassy of silver terms, Miss Godfrey will answer any queries at Council Ltd, 121 Gloucester Place, London, W.1.



Whimsical parcel-gilt mustard pot, made by Edward Charles Brown, London, 1867. In the Colman Collection of Silver Mustard Pots exhibition which opened yesterday at the Birmingham Museum and Art Gallery until June 29.



The piece of ancient glass pictured last week was the real thing. It is shown above, and is in the Constable-Maxwell Collection sale at Sotheby's, London, on June 14.



Experience & Expertise



Sassanian solid-cast statue of a horse, 3rd-6th Century AD, 51 in. (14.6 cm) high, 8 1/2 in. (17.5 cm) long. Sole, Thursday, May 31. The Sassanian solid-cast bronze horse illustrated above is one of the highlights of Christie's sale of Antiquities on Thursday, May 31.

Christie's Fine Art Auctioneers since 1766. 8 King Street, St. James's, London SW1Y 6QT. Tel: (01) 839 9161 Telex: 916429 Telegrams: Christian London SW1

Glendinings

Specialists in the Sale by Auction of Coins and Medals. 7 Blenheim Street, New Bond Street, W1Y 9LD Telephone 01-493 2445. WEDNESDAY & THURSDAY, 6th & 7th JUNE, at 10.30 a.m. each day ENGLISH & FOREIGN COINS in gold, silver and bronze including a good series of English milled silver coins.

Richard II

No frills on the Shakespeare at the St. George's Theatre; no psychological insights, no contemporary parallels, no messing with the text—and no excitement either. This Richard II looks as if it is aimed at school-children clutching their annotated "O" level texts, and it is that that hardly excuses the faults.

ROYAL FESTIVAL HALL

LONDON SYMPHONY ORCHESTRA SUNDAY 3 JUNE at 3.15 p.m. MICHAEL TILSON THOMAS MARTHA ARGERICH MUSSORGSKY: A Night on the Bare Mountain PROKOFIEV: Piano Concerto No.3 TCHAIKOVSKY: Manfred Symphony

VICTOR HOCHHAUSER presents WEDNESDAY 6 JUNE at 8 Overture: The Magic Flute MOZART Violin Concerto in D BEETHOVEN Symphony No. 9 in C ('Great') SCHUBERT

London Philharmonic Orchestra London Symphony Philharmonia Royal Philharmonic BOOKING OPENS during the coming week for the following concerts in THE 4 ORCHESTRA SERIES

Table with 3 columns: Date/Time, Orchestra, and Program details. Includes Philharmonia, London Symphony, and London Philharmonic.

WESTMINSTER CATHEDRAL THURSDAY, 31st MAY, at 8.00 pm VERDI REQUIEM HEATHER HARPER ANNE WILKINS ROBIN LEGGATE RAIMUND HERINCK Conductor: RICHARD HICKOX LONDON SYMPHONY CHORUS ROYAL PHILHARMONIC ORCHESTRA

ROYAL ALBERT HALL VICTOR HOCHHAUSER presents TOMORROW AT 7.30 MUSIC AND DANCE FROM THE BALLET with MARION TAIT, MARGARET BARBIERI, ALAIN DUBREUIL and CARL MYERS

VICTOR HOCHHAUSER presents SUNDAY 10 JUNE at 7.30 TCHAIKOVSKY Nutcracker Suite Piano Concerto No. 1 Capriccio Italien Swan Lake OVERTURE '1812'—Cannon & Mortar Effects

WIGMORE HALL Tickets from Wigmore Hall, 35 Wigmore Street, W.1. (01-253 2161) Manager: William Lyne. Thursday 7.30 p.m. Friday 8.00 p.m. Saturday 7.30 p.m.

ST. JOHN'S, Smith Square. SATURDAY NEXT 2 JUNE at 7.30 YOUNG MUSICIANS' SYMPHONY ORCHESTRA

CHRIST CHURCH SPITALFIELDS Commercial Street, E.1 FESTIVAL 22-30 JUNE

MUTI conducts Royal Festival Hall June 20, 26, 28 and July 3 Gidon Kremer, Andrei Gavrilov

TCHAIKOVSKY Royal Opera House Covent Garden

The Royal Opera Werther 29 May, 1, 5, 9 June at 7.30 pm Music: Massenet joint production with English National Opera

THE RAKE'S PROGRESS Covent Garden premiere Music: Igor Stravinsky Libretto: W. H. Auden and Chester Kallman

Phillips principal saleroom at 7 Blenheim St., New Bond St., London W1Y 0AS. Tel: 01-629 6602. Tuesday, 29 May, 11 a.m. FURNITURE, EASTERN CARPETS & OBJECTS. Cat. 37p by post.

THE PARIS OPERA Notice of an Addition The Paris Opera is advertising for a Chorus-Master (Lyric).

FOR SALE. STAMP COLLECTIONS FOR PLEASURE. IDEAL FOR INVESTMENT. NEWFOUNDLAND 1857-1861 Imports to 1/2 (28). Cat. £1,750. MOROCCO 1857-1861 Imports to 1/2 (28). Cat. £1,750.

ART GALLERIES DONALD HAMILTON FRASER New Paintings. GORDAN EASTON New Ceramics. PARKIN GALLERY 11, Macclesfield Street.

PHILLIPS EDINBURGH Friday, 1 June, 11 a.m. GOOD OIL PAINTINGS including works by B. C. Koekkoek, O. Sarret, J. H. W. van der Meer, etc.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC3A 3BT

Telephone: 01-555 1200, 555 1201, 555 1202, 555 1203

Saturday May 26 1979

Public expenditure is the key to Sir Geoffrey's Budget

BY PETER RIDDELL, Economics Correspondent

Looking for reassurance

THE DECLINE in prices on all the main financial markets since the election has been both longer and larger than even the most pessimistic were expecting.

At first these declines could be explained by profit-taking after the earlier sharp rise in security values, and later by attempts to limit losses on speculative positions built up just before the election.

Energy

Amply reason for the weakness of the markets has been provided by the news of the last few days. The tempo of what is being regarded as a new energy crisis is increasing almost daily.

All this has aroused memories of 1973-74. Yet the position and prospects are rather different. The immediate shock to the international economic system at present looks like being less than five years ago.

Threat of boost

In the short-term there is the threat of a further boost to prices after the marked acceleration in the rate of inflation in most industrialised countries during the winter.

are not encouraging in spite of the growth of North Sea oil production—a cushion which may be enervating as well as comfortable.

Profit squeeze

The UK does, however, appear to be enjoying something of a mini-boom at present. This is partly a response to the depressed conditions of the winter but, in addition, the delayed implementation of high pay settlements has boosted consumer demand.

This comes at a time when UK companies are already facing a tight profit squeeze as a result both of a strong exchange rate and an acceleration of domestic inflationary pressures.

Discipline

The deterioration in the inflation outlook in the last couple of months is also a clear threat to growth. The recent wave of price rises in part represents a catching-up of increases suppressed before the election.

The implications for several years. The implications for the UK are not encouraging in spite of the growth of North Sea oil production—a cushion which may be enervating as well as comfortable.

JUNE 12 is being billed as a Budget day which will be remembered for a long time.

For all Sir Geoffrey Howe's natural caution and the gradualism of his promises, the Tory leadership is looking to the Budget to signal a major turning point in economic policy.

The key is public expenditure as Sir Geoffrey Howe, the Chancellor, made clear in his Commons speech on Tuesday.

Before the election and even during the first few days in office the Conservative Treasury team had expected that any reductions in expenditure plans would be on a relatively small scale in the current financial year to next April.

More than the First Lord

A significant change of priorities has, however, occurred in the past fortnight, apparently as a result of a lead from the Prime Minister, who clearly regards himself as more than just a nominal First Lord (or Lady) of the Treasury.

The size of the task facing the new Government has been highlighted most clearly by Mr. Denis Healey in a Commons speech just before Sir Geoffrey's. He disclosed that public sector borrowing in 1979-80 would be £10.5bn.

This gap has to be bridged even before allowing for the cost of further cuts in income tax. It increases the need to find the largest possible sources of revenue and savings in public spending.

and he hinted at increases in company taxation.

Mr. Healey sought to offset one of the forces pushing up borrowing—the high level of public sector pay rises—through the strict application of cash limits.

The high level of borrowing and of public sector settlements form the essence of what Sir Geoffrey described as a "dismal inheritance" though to be fair to Mr. Healey and North Sea oil, there are, for once, no immediate external pressures.



SIR GEOFFREY HOWE Watershed Budget?

not in the cupboard but mainly out in the open for all to see. The Treasury's so-called books are likely to have confirmed the threat to expenditure control from the high level of settlements from the various pay comparability studies.

An unpleasant surprise may, however, have been the level of borrowing in the 1978-79 financial year: at £9.2bn this was roughly £700m more than indicated by Mr. Healey on April 3.

This has resulted in the ban on civil service recruitment for at least three months which is a strengthening of existing policy rather than a change of direction.

authorities represent more of a tightening than Labour might have contemplated. Overall, it is not yet clear by how much this squeeze will reduce spending compared with the limits proposed by Labour.

The net effect will probably be to contain borrowing rather than significantly to reduce the total. This explains why the Prime Minister and Sir Geoffrey are looking for substantial cuts in the volume of spending this year.

Moreover a lot of the easy reductions have already been made. The series of cuts in 1976 eliminated many of the obviously dispensable items.

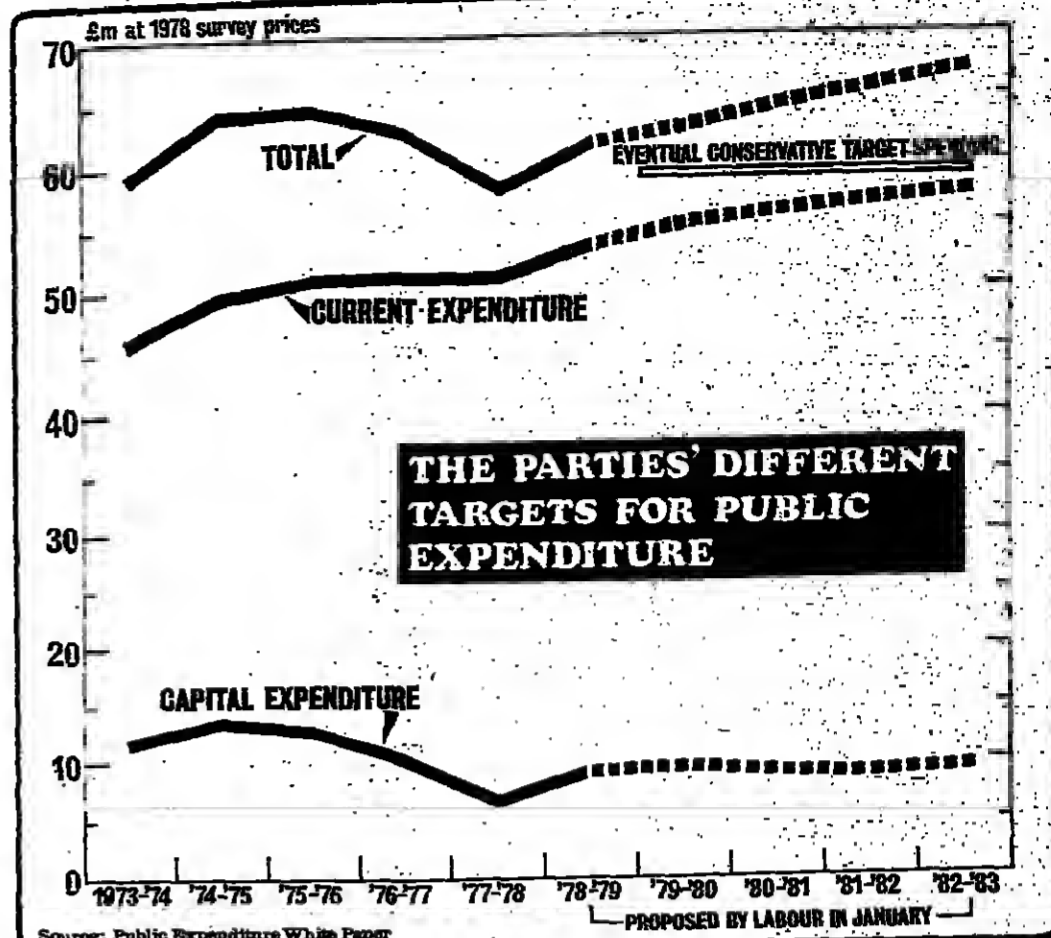
But the conventional wisdom is now being challenged. There is almost feverish activity within Whitehall with options being proposed by the Treasury, considered and revised almost daily.

Some savings can be found as a result of the dropping of Labour programmes such as the Community Land Act. Similarly, employment support or industrial aid schemes may not be renewed when they run out and previously unallocated funds for programmes like future industrial support may be cut out entirely.

Consequently the call has gone out for across-the-board economies from all departments; even the Ministry of Defence and the Home Office have been asked to look at their internal efficiency.

This incremental approach—2 per cent or so off everywhere—could lead to the postponement of projects with a high catch-up later, though departments usually have a few schemes, often politically sensitive, which can be sacrificed in these circumstances.

In this sense the conventional view is right: it is difficult to secure genuine cuts quickly without severe dislocation of programmes. But it will no



THE PARTIES' DIFFERENT TARGETS FOR PUBLIC EXPENDITURE

doubt be possible, as it has always been in the past to produce enough phony or real savings to add up to the required total of cuts for 1979-80.

In addition, the Treasury is looking for revenue from increases in nationalised industry prices and public-sector charges, notably in the health service, which make an immediate impact.

Some public-sector assets will be sold as well. This covers both shares in existing quoted companies, like BP or some of the National Enterprise Board holdings, and parts of wholly owned state operations such as British Airways.

The arithmetic of all these measures is still highly speculative but City analysts have constructed a package which consists of roughly £1bn from the sale of assets, well over £1bn from public spending cuts and a tight application of cash limits and £2bn from higher indirect and other taxes.

A major snag is that capital investment may have been trimmed to not far above the lowest acceptable level.

The main aim would be the immediate demonstration of the Tories' commitment to their election promises about restoring incentives. But the June Budget is intended to be only the first stage in a programme of tax reductions.

The later stages of the review raise far-reaching questions about the role of the public sector. Under Labour the growing share of public spending in total output—up from 35 per cent in the mid-1960s to 46 per cent in 1975—was halted, and in part reversed, with a drop to about 42 per cent in 1978-79.

Volume of spending

The Tory long-term objective is to reduce this share and to cut the volume of spending to around the level of 1977-78. This would be phased over several years. After allowing for various once-and-for-all items this would represent a reduction of around £4bn or so from the originally planned level of over £53bn for 1979-80 and a bigger adjustment from the proposed level in later years.

Letters to the Editor

Tories

From Mr. R. Mitchell Sir,—In her article of May 17 about the Euro elections Elinor Goodman discussing the Liberal effort, refers patronisingly to the "cruel irony" of the British electoral system.

Setting personal preferences aside the best result would be a Conservative victory so overwhelming as to cause the maximum resentment in the European Parliament of the means whereby their disproportionate representation is obtained.

Labour

From Mr. J. Douncey Sir,—Mr. Ward (May 18) is not very convincing in his reply to Mr. Hudson's question if the time is now ripe for the trade union movement to end its links with the Labour Party.

tively sabotaging the return of a Labour Government. Labour Party leaders will now be in no doubt that their support from union members is very far from being solid.

From the Director, Banking Information Service Sir,—I am sorry that Mr. P. N. Barnard (May 21) feels that the banks' arrangements for collecting cheques drawn on overseas countries are only a "minor service".

Eurocheques

From the Managing Director, British Tissues Sir,—The article on disposable paper products in your May 15 world survey of pulp, paper and board states that the "larger sectors of the market are dominated by two major manufacturers, Bowater Scott and Kimberley-Clark."

sent personally it is not applicable for payment to exporters. Cheques which are sent to them are not guaranteed payment, nor are they capable of being passed through the simple clearing system that, because of the guarantee, has been developed for the uniform cheques. As Mr. Barnard states, these ordinary cheques have to be remitted to the drawee banker abroad for payment and this involves more extensive and more costly manual handling operations.

Paper

From the Managing Director, British Tissues Sir,—The article on disposable paper products in your May 15 world survey of pulp, paper and board states that the "larger sectors of the market are dominated by two major manufacturers, Bowater Scott and Kimberley-Clark."

Ex-directory

From Mr. B. Griffiths Sir,—The Post Office's re-organisation of the "ex-directory" system has created a new problem which not only can make the Post Office sound stupid but is irritating to subscribers: certain "ex-directory" subscribers are now categorised as "NQR" and in such cases an inquiry of 192 will draw a complete denial of any knowledge of the subscriber's existence.

and varied reasons why some people prefer their telephone number to be excluded from the directory, and there may be some particularly cautious people who would not wish a call to 192 to be an effective method of confirming their name and address, but I do think it behoves the Post Office to respect the privacy of such persons by training their directory inquiry staff suitably rather than by omitting the relevant name, address and telephone number from their domestic internal records and thus making themselves sound incompetent and having storms of wrath brought upon an unfortunate secretary who is asked to make an inquiry in respect of such a subscriber.

Post

From Mr. M. Newble Sir,—Mr. Tom Jackson, general secretary of the Union of Post Office workers must live in a dream world of his own when he talks about not interrupting the efficiency of his service. I wish he would put into working order my Peterlee telephone which has been out of order since November, 1978.

Auditing

From Mr. J. Baker Sir,—Housing associations and building societies both normally come under the jurisdiction of the Registrar of Friendly Societies, whose relaxed attitude on supervisory matters is legendary. In the case of housing associations, however, the Housing Corporation has been given specific duties and powers by Parliament to exercise close supervision over them, and in particular their use of public finance.

trading concern. It is pertinent, of course, that under industrial and provident societies legislation, an audit firm, once appointed, is difficult to dislodge.

Buying

From the Director, Mutual Aid Centre Sir,—It is indeed disturbing that the future of many small co-operative retail stores may be at risk (May 21). Losses such as those made in the past year by the London Co-operative Society (May 19) make this outcome seem inevitable.

Important details

All applications will be acknowledged and our certificates will be sent within 42 days. Units at death in liquidation or withdrawal are not payable. The next distribution is in December 1979. An annual management charge of 1% (plus 5% excess over £10,000) is included in the unit price. Units are subject to a 1% VAT on the first £10,000 of the fund's investment. If you wish to sell your units, the Managers will purchase them at the best price on the weekly dealing day. Payment will normally be made within seven days of the receipt of your request for redemption.

High yield. High security. Tyndall Preference Fund

You can invest £1,500 upwards and the initial charge is only 3% (2% for excess over £10,000). The offer price of distribution units on 23rd May, 1979, was 115.0p and the estimated gross yield 13.10%.

APPLICATION FOR UNITS Tyndall Managers Limited, 18 Canynge Road, Bristol BS99 7UA. Includes fields for name, address, and investment details.

The congress of the Co-operative Union meets on Monday: BY DAVID CHURCHILL

Co-ops, commerce and consumers

AS DELEGATES to the Co-operative Union's 110th annual congress arrive in Eastbourne tomorrow it may seem premature to emphasise the impending crisis that threatens the co-operative movement in the next decade.

After all, the British co-ops are by far the largest retailing organisation in Western Europe with total sales topping £3bn for the first time this year. Some 10.6m people—a fifth of the total UK population—belong to the co-op movement.

The co-ops have more food stores than any other retailer in the country, with almost 18 per cent of the market—a third more than their nearest rival, Tesco. The co-op movement employs nearly a third of a million people and owns the highest fleet of motor vehicles next to the government, has some 150 factories at home and abroad, and operates the sixth largest deposit bank and the ninth biggest mutual insurance society in Britain.

It also supplies a third of the nation's liquid milk, is second only to the National Coal Board in retail sales of coal, and is the country's largest undertaker. But in spite of the movement's large trading assets, its ability to hold its own in the increasingly competitive High Street market has begun to slip—and there are growing doubts about its ability to recover ground in the 1980s.

Its share of total retail sales has fallen back from 7.1 per cent three years ago, to 7.0 per cent in 1977, 6.8 per cent last year.

Even the large co-op retail societies, such as the London Society, are finding the tough

trading in the High Street difficult to cope with. After two years of poor trading, culminating in a £1.8m loss last year, shuffling management reshuffles in the London Society this week with a new chief executive taking over.

The crucial problem for the co-op movement is that it will enter the next decade from a position of relative trading weakness and without any clear sign that it will be able to re-organise itself to re-establish its market position. The long-standing aim of the movement to create 25 large regional societies—just as the 201 dotted independent societies operating at present—appears to be as far away as ever. And the moves over the past few years to unify the two main national bodies—the Co-operative Wholesale Society and the Co-operative national organisation and better use of resources have come to nothing.

In spite of the renewed pressure on the co-ops' trading position, tomorrow's Congress agenda contains little to suggest a way ahead in the 1980s. The only relevant motion for debate is aimed more at defending the position of uneconomic small co-op stores, than suggesting a future strategy to regenerate the whole movement.

In some respects, it is surprising that the Co-op movement performs as well as it does, given the complexities of its structure. At its base are the 10.6m customer members—nearly two-thirds of a million fewer than in the early 1970s—who own the 201 retail societies scattered throughout the country. Members of each society elect a board of directors to run the society in members' interests, although few members, both in the London Society and in the 1m

members of the London Co-op bothered to vote in their recent elections.

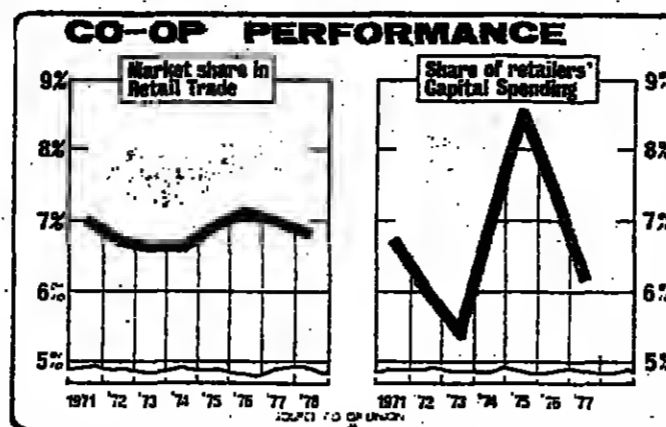
Each society in turn has a financial holding in the CWS which produces and distributes both food and non-food products to retail societies on competitive terms. Societies are not obliged to buy from the CWS and, in fact, it only supplies some two thirds of their total needs.

Both individual societies and the CWS are members of the Co-op Union, along with other co-operative bodies such as the Co-operative Insurance Society, the National Co-operative Chemists, and a number of others. The Co-operative Party—which has some 17 MPs in the Commons—is an integral part of the Union. The Co-op Union's function is to co-ordinate information and advice about the co-op movement and send it to retail societies. The annual Congress acts as a national forum for discussion but does not have any real power to enforce decisions on members.

The power in the co-op movement, therefore, lies firmly with the individual retail societies. And as with any organisation so disparate, it is virtually impossible to reach a general agreement about change.

The main attempt to bring the movement's structure up-to-date was initiated in the early 1970s when a regional plan was put forward to merge small societies into larger groups, thus enabling them to compete more effectively with the large multiple chains. Although the number of societies has dropped from 537 in 1970 to the present 201, this is still a long way short of the 25 regional societies envisaged.

In the past year, the only merger of any size was the amalgamation of the Luton and Northampton societies to form



the South Midlands Society. In a report to be presented to the Congress, the Co-op Union's regional plan committee expresses concern about the lack of progress in mergers. It warns members that "unpalatable as the present proposals appear to have been, if the present situation is permitted to drift then the major structural surgery which is required will prove to be even more disliked than the present policy."

The reasons why societies refuse to amalgamate to form a stronger trading base are many, but invariably they tend to revolve around inconsequential issues which are of paramount importance to the small groups who tend to run most co-op societies. For example, the Luton Society only decided to merge with the Northampton Society after previous merger talks with Enfield Highway Society broke down over the name of the merged society.

Enfield apparently wanted the inclusion of the word "highway" in the new title, but Luton did not. So Luton turned to Northampton and although the merger fitted in with the spirit of rationalisation, the

merger was not in fact in line with the detailed geographical amalgamations proposed in the stores. The Luton and Northampton merger, however, was at least a positive move to improve trading strength. Other societies are less fortunate and are forced to merge through weakness or, more often, are taken over by the Co-operative Retail Services. The CRS acts as the society which traditionally takes over other societies when in trouble. At present it is responsible for 21 individual societies, with a total turnover above £400m. The largest autonomous society, London, has a turnover of some £215m.

While traditionally the co-op movement has always been slow to change, the problem now is that the accelerating pace of change in retailing—imposed by inexorable cost pressures on margins as well as increased marketing sophistication and technological developments—means that the co-ops are now in danger of being left behind in the 1980s.

Department of Industry figures highlight the relative decline in the co-op trading per-

formance in 1978. The co-ops increased their sales only at the same rate as small, independent stores.

In food sales—which account for three-quarters of total turnover—the co-ops did particularly badly, only managing to increase sales by a tenth—below the average 11.5 per cent growth for the sector—and substantially less than the multiples' 15 per cent. Only the independent grocers did worse—with 8 per cent.

The co-ops, however, have been able to hold onto their grocery market share—which is just over 15 per cent according to Department of Industry figures—compared with slightly more than 52 per cent for the multiples—but this has been mainly because the multiples' growth has been at the expense of the independent grocers.

The key trading problem for the co-ops is that the movement has too many small stores which are uneconomic to operate in the intense market conditions. While major multiples such as Tesco and J. Sainsbury have been rapidly shutting down their own small stores during the 1970s, the co-ops are loath to take such blatantly commercial decisions when small stores often fulfil an important need in local communities.

It is this dilemma for the small, uneconomic stores of reconciling the movement's social aims with the harsh realities of High Street trading that will form the main debate at the Congress—although it is only tackling the symptom and not the causes of the co-ops' declining trading position. Such causes include the structural problem that over the past two decades the trend in retailing has been increasingly towards national trading groups rather than competition at local level. Thus while individual

societies were in the past able to compete effectively with local competitors, they are now unable to cope with companies such as Tesco, Sainsbury, or Asda which are increasingly becoming nationwide operators. Moreover, with the trend towards higher volume of sales through large store developments, the financial stakes needed to maintain and boost market share are increasing rapidly.

There appears a direct correlation between capital expenditure and market share. According to the Co-op Union's own figures, as capital spending rises, so within a few years does market share, as seen in the graph.

To its credit, the co-op movement has been aware of the need for large store development and is now the second largest superstore operator in the country with 65 stores and a further 16 on the way within the next few years. But so large is its retailing base—with over 7,500 food stores and 11,000 outlets of all types—that even this substantial investment is not enough to compensate for the loss of sales by its smaller stores. The real problem remains the lack of any central direction of superstore development—and the difficulties of financing store expansion when profits are being eroded by the High Street price war.

The various merger and rationalisation proposals of the past few years have been directed at developing a national strategy. In theory, the strategy is intended to work on three levels: to develop the superstore programme; to improve the top 1,000 large supermarkets so that they can compete on equal terms with the multiple grocers; and to identify the small stores that can fulfil a "convenience

role" and still make a profit by charging higher prices for their nearness to the customer.

In practice, the strategy is difficult to put into effect because of the individual approaches of the societies. At last year's Congress, Sir Arthur Sugden, the CWS chief executive, suggested that the way ahead could lie in a new committee of key planners to co-ordinate and carry out strategy. His idea—although roundly applauded by the delegates—has become bogged down in the various bureaucratic committees in the movement.

A similar rallying cry from this year's president, Mr. Howard Perrow, in his address on Monday is also more than likely to sink into the sands.

With the unique structure of the co-op movement, change from within is difficult to achieve unless the trading problems become so intense that there is no other way. But a catalyst for change could emerge if any of the big societies got in real trouble. The trading difficulties of the London Society will be watched closely by other societies.

Yet it is not just the co-ops' trading performance that is causing concern. There is also a feeling that the movement is losing touch with its origins. Consequently, Lord Young of Darnley—who was one of the founders of the Consumers' Association and the National Consumer Council—is leading a campaign "for a marriage between the new consumer movement and the old" to ensure that the spirit of co-operation is not lost.

His campaign, however, draws attention to the movement's fundamental—and probably insoluble—dilemma: namely, how to reconcile commercialism, with co-operation.

Weekend Brief

Ready for take off

The jet economy being in the news may be apt that soon work will be starting on a bomber at the former RAF airfield at the Isle of Man, on the hull of the prototype of a new ship—perhaps the short range airliner of the future, the Skyship, already has a letter of intent for the ordering of three of the craft from Euro-Atlantic Ferries.

Mr. Malcolm Wren, the managing director of Thermo, is confident. The soundness of design, a circular shape, had been proved by extensive tests of a large model shape, which had meant that the airship has been called flying saucer, eliminated the need for mooring masts, and meant that the craft can take-off from a very small land area in almost all other conditions.

The design uses the lift of a vertical take-off balloon to get down the supply of hot air to the balloon compartment, the centre of the envelope, and that the craft loses lift, descends.

Using a ring member of carbon fibre the main girder of the envelope, and this supports girders the same material which, in turn, support the plastic sheeting of the envelope. To lower girders are fitted the string hawsers which secure the craft at its base to strong-ties in the ground.

While for the present it is intended to use jet-fuel when it becomes more costly hydrogen can be used to drive a gas turbine which has functions. At take-off it lies hot air to the balloon compartment, and in level flight it gives the airship. A cruising speed of 55 knots and a still air speed of around 600 miles are expected.

The envelope there are rings of ring-shaped gas bags with helium which the team are convinced will not entirely eliminate the risk of fire. "If we had a fire the fuel cells this would be able to fly as the sky-ship is capable of level flight in condition," says Wren.

The flight deck and passenger compartment will be located in the centre of the envelope. A crew of three will be seated on the flight deck which he permanently attached to envelope. With a passenger compartment it is planned to accommodate for up to 10 passengers, but cargo compartments will also be used as a craft will have in its present development a displacement of six tons. It will be the emphasis is, at present, on the development of Skyship as a versatile airliner and there are provisions for a service between London and Amsterdam. Wren considers that it has other



The airship of the future?

that it will be much less costly to use the Skyship. And it will also be invaluable to emergency services in difficult conditions as it does not need large landing areas or ground crews, and again it is much less costly than the available helicopters," he said.

When the Skyship comes into service on the planned first service between London and Amsterdam it will provide a city-centre-to-city-centre service as there are plans for terminals in the dock areas of both cities. Fares it is considered will be about the same rate as those charged for jetfoil or hovercraft services across the English Channel.

Begin's secret

In view of Mr. Menachem Begin's important rendezvous with President Sadat in Sinai tomorrow, it was somewhat puzzling that the Israeli leader should have spent this week on a cavalcade through London, accompanied by his wife and daughter.

Officially, he and Mrs. Begin came as guests of Jewish organisations eager to express their admiration for his peace achievements. But was this the main reason, or was it simply a pretext for meeting Mrs. Thatcher and Cyrus Vance prior to the next stage of the Middle East talks?

That private motives were indeed uppermost was not finally demonstrated until early yesterday morning when Mr. Begin addressed a dinner in a synagogue hall on London's North Circular Road. Thanks to his record as head of the Irgun Zvai Leumi in the last years of the Mandate, Begin had for long been "the bogey man" in Anglo-Israeli relations. But from this week's warm reception here, he now obviously felt that a new page had been turned.

On Tuesday he had been cheered by 3,500 people in the Central Hall, Westminster, where the Chief Rabbi compared him to the Biblical Kings of Israel. But in 1972, when he came for the first time to a Jewish community had largely ostracised him and a dinner in his honour was cancelled by a Kensington hotel because of fascist bomb threats.

against this country harboured for half a life time. "I will make no forecasts about another visit to London," he said. "I may come again as Prime Minister. Maybe as a private person. Maybe I won't come at all," he said, almost unceremoniously.

Much of his gratitude for his acceptance in Britain is clearly directed at Mr. Callaghan, who received him on an official visit after Begin's election victory in 1977. He said that Mr. and Mrs. Callaghan will be his guests in November, on the anniversary of the Balfour Declaration.

He also described Mrs. Thatcher as a friend of Israel and said he had given her a photograph taken when she inspected an Israeli-made jet fighter a few years ago. "Now she is the pilot," he quipped. But he also seemed to be hinting that she would have a lot to live up to if she were to emulate Mr. Callaghan (at least as far as the Middle East is concerned).

He also had kind words for author Lord Bethell who handed him a copy of his new book, "The Palestine Triangle" (covering the last years of the British Mandate). And he pinned a medal on Mr. Monty Harris, a Dublin businessman, who spent two years in Wakefield jail for trying to sabotage British arms shipments to the Arabs during the 1948 Palestine war.

Reversed roles

"It was not so long ago that Pemex (the Mexican State owned oil corporation) was coming to us and crying out for money. Now everyone is knocking at their door. Look how many foreign bankers there are here." Thus a British banker at a reception given at Mexico's annual banking convention in Acapulco, which this year attracted hundreds of foreign bankers to spy out new credit possibilities in oil-rich Mexico.

We were talking in sumptuous surroundings at Acapulco's pyramid-shaped Princess Hotel by the Pacific where Howard Hughes, the U.S. multimillionaire, spent his last days in a suite on the top floor. Around a vast, curved swimming pool almost a thousand people were gathered. The Mexicans mainly discussed the progress in the country's economy and their handsome profits last year and the foreign bankers did their rounds, skillfully manoeuvring between people without falling into the

pool a giant hull, made out of hutter, down to the most intimate detail, somehow managed not to melt in the warm sea breeze to the astonishment of the foreigners.

"My god were we scared in 1976 when the pesos was devalued," said another British banker. "We asked ourselves why on earth we had ever put so much money into Mexico." The exaggerated fear did not last long, for as the Government pumped up the country's oil reserves and got the economy back on its feet again, foreign bankers came rushing back to Mexico, which now enjoys an extremely good credit rating.

The access of liquidity in world banks has, of course, helped Mexico. Now there is intense competition for business. Mexico's foreign debt is \$25bn and private \$7bn. A Mexican newspaper cartoon showed a sign "banking convention" stuck on the beach in Acapulco bay, and sharks in the form of foreign bankers making for it.

The rivalry was borne out on the first day when a Mexican newspaper published a story saying that Bank of America was expected to act as lead manager for a consortium of 80 banks to put together an unspecified jumbo credit for the Government. It is an idea which has been in the air for at least six months as the Government is thinking of refinancing some of its short term debt. But it sent bankers scuttling off to check whether the Finance Ministry had in fact awarded a mandate.

Lloyds Bank International, which rented an impressive villa in the bay not far away from where the Shah of Iran's sister bought hers, was quickly on the line to Mexico city. Meanwhile near to this particular villa Citibank was at that time giving a cocktail party for Carlos Martinez Ulloa, Mexico's "Mr. Debt" to the Finance Ministry, and probably the most sought after man at the Convention apart from Jorge Diaz Serrano, the Pemex head. He was listed to attend but did not appear, to the annoyance of foreign bankers.

"We were told that no decision had yet been taken as to who will get the Mandate," said a Citibank man. "We'll probably all get a slice to keep us all happy."

Contributors: Bill Clucas, Maurice Samuelson and William Chislett.

Economic Diary

TODAY—National Association of Head Teachers conference opens. St. Andrews Hall, Norwich (until May 25).

SUNDAY—National Association of Teachers in Further and Higher Education conference debates pay, Colston Hall, Bristol. President Anwar Sadat, of Egypt, and Mr. Menachem Begin, Israeli Prime Minister, meet for negotiations on autonomy for the West Bank and Gaza Strip, first in El Arish and then the Israeli town of Beersheba—Mr. Cyrus Vance, U.S. Secretary of State, will also attend the autonomy talks.

MONDAY—Price Charles attends annual dinner of National Association of Head Teachers, St. Andrews Hall, Norwich. Signing of Greece treaty of accession to the Com-

mon Market, Athens, paving the way for admission as 10th member of the Community at the beginning of 1981—Lord Carrington, UK Foreign Secretary, attends.

TUESDAY—Trades Union Congress delegation meeting, Sir Geoffrey Howe, Chancellor of the Exchequer, at the Treasury, to discuss proposals for the Budget. Statement by Mr. David Steel, Liberal Party Leader, on Liberal Party European elections, National Liberal Club, London. Panel of Takeovers and Mergers annual report, Council for the Securities Industry annual report.

WEDNESDAY—Ecology Party launches its European election campaign. Northern Unit of the Stock Exchange annual conference, Hotel Piccadilly, Manchester—speakers will include Sir Jeremy Morse, chairman, Lloyds Bank, and Sir Marcus Siff, chairman, Marks and Spencer. Association of Chief Police Officers of England, Wales and Northern Ireland conference opens, Old Swan Hotel, Harrogate (until June 1). Henley Centre launches its book "The Regeneration of British Industry."

FRIDAY—British Caledonian Airways increases fares on domestic air routes. Domestic electricity and gas prices up by 8.6 per cent and 8 per cent, respectively. ICI fertiliser prices rise by an average of 8 per cent.

of England, speaks at conference and annual meeting lunch of Association of International Bond Dealers, Royal Festival Hall, London. Statement by Lord Limerick, new chairman of British Overseas Trade Board. Bank of England calls in its £1 notes of the series first issued on March 17, 1980, and its £10 notes issued on February 21, 1980—they will then no longer be legal tender. Department of Energy issues Energy Trends publication. Commonwealth Development Corporation annual report.



The Palomino Vine.

Where craft and nature combine to make a classic sherry.

Without the vine there can be no grapes. Without the grapes there can be no sherry. The tending of the vines is therefore the very basis of a classic sherry.

Centuries of experience have developed the craft of viticulture in the hills around Jerez into an art. Grafting, pruning and training the vines all play their part in aiding and abetting nature to produce the finest sherries. Only in this way can the special character of the native soil and the unique ripening power of the Spanish sun fulfil their promise of classic sherries to come.

Time too has a role to play. For it takes fully three years for a newly planted vine to produce the Palomino grapes needed. After the grapes have been gathered, pressed, and the fermentation completed, the wines reveal their individual characters and the long process of maturing a classic sherry begins.

The classic fino is very pale in colour and very dry to taste with a subtly delicate bouquet. Luncheon Dry is just such a fino. Serve it chilled to appreciate fully its true character.

The classic amontillado is allowed to mature for longer in the cask, taking on a richer colour and a subtle nutty flavour. Such is the character of Club Amontillado.

Harveys VERY PALE FINO SHERRY LUNCHEON DRY Serve Chilled

Harveys CLUB AMONTILLADO MEDIUM DRY SHERRY

Two classic styles of sherry from Harveys of Bristol.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Dobson Park Industries, the mining and specialised engineer, and **Minling Supplies** are contemplating a merger, and an offer by Dobson can be expected within a matter of weeks.

John Bright Group, the Lancashire yarn and fabric manufacturer, advised shareholders to accept the 40p cash offer from Largs, a private investment company based in the Isle of Man.

Mr. Frank Sanderson announced a firm intention of bidding for the 60.5 per cent of **Flintas Holdings** he does not already own. The bid will be made through **Challey Securities**, a private company controlled by Mr. Sanderson and his family trusts.

Talks are in progress that may lead to an offer for **John James**, the diversified engineering supplies to property group.

Priced SA is to negotiate with **Viscose Development** with a view to buying the remaining 24.9 per cent of the latter's ordinary and the 22.7 per cent of the prior charge capital it does not already own.

Suspended at 293p, dealings in **Noyapara Tea** were resumed last Wednesday at 500p following the agreed offer from **Rightwise**. Irrevocable acceptances to the bid have been given by, among others, **James Finlay** for its 54.8 per cent stake in **Noyapara**.

ICI and building products group **Harley** is paying £2.84m for an 80 per cent stake in **GFT Petrochemicals** of Chicago. Through its wholly-owned subsidiary, **Ingrid**, ICI is market leader in the manufacture and distribution of fashion plastics and horticulture accessories.

Wilkinson Match acquired, jointly with **Allegheny Ludlum** of the U.S., **HTL Industries** of Arcadia, California, one of the world's foremost companies in fire extinguishing systems. Under a cash and shares transaction, **Allegheny Ludlum Industries** will hold 80 per cent of the **HTL** group. **Wilkinson Match** will own the rest, worth £3m. **Allegheny** has a 4.4 per cent stake in **Wilkinson Match**.

Berkeley Hambro Property spent nearly £2m in shares and cash to buy two private companies, **Marklars Investments** and **Huntro Investments**.

Learne's interest in **SUITs** now totals 70.5 per cent and the offer has been declared unconditional and extended until June 14.

Company bid for	Value of bid per share**	Market price**	Price value bid 5m's*	Final date
ACE Machinery	129	125	110††	1.98 F. J. C. Lilley
John Bright	404*	40	43	4.29 Largs
Collet-Dickenson	118*	112	85	2.95 Hambros
Farm Feed	85*	93	94	1.08 Consortium
Gen Engineering (Headline)	7†	8	14‡	0.88 Senator
Hardy & Co. (Furnishers)	124‡‡	145	114	8.14 Harris
Hardy & Co. (Furnishers) A	114‡‡	106	92	14.8 Harris
Jenks & Cattell	81*	100	67	1.21 Queensway
Knott Mill	72	69	27	2.48 Kitchin Queen
Morris & Blakey	167‡‡	164††	164††	2.55 A. G. Stanley
Morris & B.D.Y. A	134‡‡	120††	120††	1.44 A. G. Stanley
Scott & Univ.	215‡‡	212	204	47.3 Lomro
Sekong Rubber	114	115	110	2.1 Majeed Inva.
Wilmot Breeden	116*	114	107	16.7 Rockwell

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ** Date on which scheme is expected to become operative. *** Based on 5/25/79. †† At suspension. ††† Estimated. † Shares and cash. †† Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Abel Murrell	Dec.	460 (710)	7.5 (7.5)	2.42 (2.42)
Beecham	Mar.	144,000 (139,400)	52.8 (56.1)	21.12 (18.68)
Berac	Feb.	20,300 (25,390)	16.4 (21.9)	— (4.33)
Boels	Mar.	113,000 (107,000)	21.8 (20.5)	5.0 (3.03)
British Syphon	Dec.	1,204 (1,838)	15.9 (13.4)	3.32 (3.0)
Chamberlain & Hill	Mar.	431 (453)	11.6 (11.2)	2.03 (1.83)
Comarlands	Mar.	64,000 (63,700)	13.4 (11.1)	8.44 (7.57)
Cresby House	Dec.	234L	(685)L	— (Nil)
Dunbee-Comber	Dec.	1,288 (8,433)	3.8 (24.8)	0.87 (6.67)
Extel	Mar.	2,860 (2,090)	16.5 (12.3)	6.01 (5.47)
Executive Clothes	Dec.	303 (117)	34.1 (7.3)	2.9 (Nil)
Fashion & Genl.	Mar.	155 (142)	8.9 (6.1)	5.51 (4.94)
Fine Art	Mar.	5,543 (4,721)	5.9 (4.7)	2.65 (1.84)
Glossop (W. & J.)	Jan.	502 (831)	8.7 (10.0)	4.2 (3.8)
Thomas Marshall	Dec.	1,180 (1,060)	15.7 (15.3)	2.78 (2.49)
F. Panto	Dec.	103 (302)	1.5 (3.9)	1.5 (1.54)
William Fress	Dec.	12,310 (9,560)	4.6 (3.3)	1.04 (0.84)
Frishton Newsp.	Mar.	2,580 (1,890)	17.5 (13.0)	4.3 (3.17)
Retaprint	Mar.	525 (313)	8.5 (6.2)	2.93 (2.93)
Scott & Roberts	Mar.	825 (522)	8.4 (5.3)	3.06 (2.74)
Toye & Co.	Dec.	388 (307)	17.2 (7.6)	1.4 (1.26)
Uniflex	Jan.	772 (322)	37.5 (11.7)	3.07 (2.78)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Assoc. Engrg.	Mar.	10,300 (15,000)	1.86 (1.42)
Assoc. Sprayers	Feb.	137 (102)	1.0 (—)
Avon Rubber	Mar.	431 (2,380)	4.0 (4.5)
BOC International	Mar.	33,300 (28,200)	1.9 (1.65)
Brookhouse	Mar.	1,368 (1,212)	2.0 (1.8)
Camford Engrg.	Mar.	876 (962)	1.63 (1.48)
Caravans Intl.	Feb.	283 (1,080)	2.42 (2.2)
Gleeson (M. J.)	Dec.	427 (578)	0.83 (0.75)
Home of Fraser	Mar.	1,327 (1,268)	— (—)
ICI	Mar.	98,000† (112,000)	— (—)
K Shoes	Mar.	2,110 (1,590)	0.86 (0.66)
Leeds & Dis. Dyns.	Mar.	448 (502)	0.7 (0.85)
Leys Foundries	Mar.	830L (1,000)	1.06 (1.05)
Mt. Agon. Mus.	Jan.	1,410 (1,040)	2.51 (1.85)
Phosor Assur.	Mar.	5,200† (7,000)	— (—)
Plaxton's (Scar.)	Mar.	1,130 (853)	2.25 (1.75)
Pleasorams	Mar.	1,170 (481)	0.83 (0.75)
Reo Stakis	Apr.	1,367 (1,001)	0.38 (0.19)
Redfern Natl.	Apr.	338 (1,738)	5.28 (5.28)
Stenhouse	Mar.	4,031 (4,019)	— (1.82)
John Williams	Mar.	128 (450)	1.0 (1.0)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated.
† Adjusted for any takeover scrip issues. †† First quarter results. † Subject to Treasury approval. L.Loss.

BIDS AND DEALS (CONTD.)

PENTOS HAS 12% OF ELLIOTT PETERBORO. Pentos, the publishing, construction and leisure group headed by Mr. Terry Maher, has lifted its stake in **Elliott Group of Peterborough**, a building contractor and furniture company, to 1.6m shares—roughly 12.1 per cent of the capital.

Yesterday Mr. Maher said Pentos was always happy to take a position "in a company we know and which operates in an industry we understand."

"As a matter of course I have already dropped Elliott's chairman a note and he has invited me or a Pentos representative to attend its annual general meeting."

Pentos first began building its stake in last November. In March it held around 8.34 per cent and

BARLOW GROUP VALUATIONS

The two schemes of arrangement for the merger of the **Barlow** group of companies set to shareholders yesterday indicate that net tangible assets of the new holding company would be £47m after revaluations.

The valuations, conducted by two separate valuers, will be of particular interest, coming soon after the attempted takeover of **Guthrie Corporation** by **Stime Darby** in which plantation values were much disputed.

There is considerable divergence between the valuations per acre of the four constituent companies. **The Mear River Company** is valued at only £594 per acre and **The Bradwell (FMS) Rubber Estate** at £640 per acre. But **Sungel Kian Rubber Estate** is valued at £999 per acre, and **Chernesse (FMS) Estates** at fully £1,238 per acre.

Rights Issues

Simon Engineering: One for five at 285p.
Thomas Tilling: One for five at 138p.

Chemring shows £82,000 growth in first half

First-half taxable profit at **Chemring** climbed £82,000 to £234,000 but the company forecasts only a marginal improvement at fulltime for 1979.

Sales by the producer of radar reflective products, electrical cable accessories and protective clothing for the six months to March 30, 1979, were £1.47m, against £1.1m. Trading conditions in the second six months will be less buoyant, the directors say.

After tax of £121,000 (£79,000), stated earnings per share for the half-year were 2p higher at 8.6p, and the net interim dividend is raised to 0.55p (0.77p). Last year a 0.8654p final was paid from record profit of £0.47m.

Offers for sale, placings and introductions

Portsmouth Water: £5m of 8 per cent redeemable preference stock 1984.

J. Billam 50% ahead

As forecast at midway, 1978 results of **J. Billam**, the Sheffield cutler and engineer, show a considerable improvement over the previous year—pre-tax profits were up 50 per cent from £191,661 to a record £288,574, and the directors are confident that profits will continue to improve.

Tax takes £155,050 (£102,249) giving earnings per share of 8.9p, against 5.95p. The final dividend is 2.592p.

Mr. Gordon Billam, chairman, says the improvement came from the engineering interests and not from the cutlery division where, although output was maintained, profitability suffered as a result of severe competition from the Far East.

Martin-Black below budget

Results now available are below budget and the expected improvement in 1979 is slow to materialise, the chairman of **Martin-Black** told shareholders at the annual meeting.

Announcing last year's results in April the directors said that operating company forecasts indicated a distinct improvement over those for 1978.

Gartmore's new Moneybuilder

makes unit trust investment easier than ever

The **Moneybuilder** is an important new idea from **Gartmore** to make unit trust investment as easy and straightforward as using a savings bank.

You can start your Plan with as little as £25 and add to it as often as you like with any sum of £25 or over. Alternatively you may invest regularly by **Bankers Orders** from as little as £10 a month. Taking money out is just as simple.

A wide choice of investment
You can link your **Moneybuilder Plan** to any of the eight proven **Gartmore** unit trusts. These specialist trusts offer a range of investment alternatives from high income to capital growth, both in the UK and overseas.

When you start a **Moneybuilder Plan** you receive a **Passbook** that includes complete details of how the Plan operates. Whenever you want to add to your investment, just send us your **Passbook**, together with your cheque and investment form. The relevant details will be entered into the **Passbook** which will then be returned to you. Income from the investment is automatically reinvested for you.

To start your plan
Simply fill in the coupon below, send it to us and we will forward you full details of the Plan together with information on the range of **Gartmore** unit trusts.

Remember that because you are investing in shares, the value of your **Moneybuilder Plan** can go down as well as up.

To: Gartmore Fund Managers Ltd., 2 St Mary Axe, London EC3A 8BP. Tel: 0-632 6114 (7 lines).

Please send me full information on the **Moneybuilder Plan**.

Name _____
Address _____

GARTMORE FT 2605
£700,000,000 under Group Management
Member of the Unit Trust Association

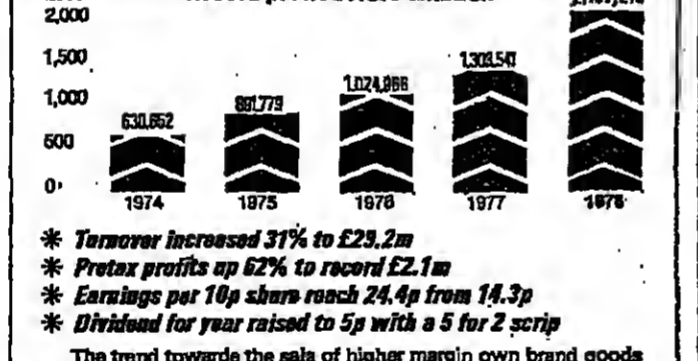
INTEREST 14 1/2% PER ANNUM

First FAVELL FINANCE LTD.
Northampton N15 2JG
Telephone 0604 714630

CORAL INDEX: Close 506-511

home charm

Cline Road, New Southgate, London N11 2NA



* Turnover increased 31% to £29.2m
* Pre-tax profits up 62% to record £2.1m
* Earnings per 10p share reach 24.4p from 14.3p
* Dividend for year raised to 5p with a 5 for 2 scrip

The trend towards the sale of higher margin own brand goods continues and in 1978 these accounted for 17% of sales. Currently 80% of kitchen furniture sales are own brand and the overall percentage of own brand sales for 1979 should therefore show a significant increase over 1978.

Sales in the first few weeks of 1979 were severely affected by the adverse weather conditions. Trading has now improved and, excluding new stores, retail sales since the beginning of 1979 have increased by 14%. Every effort continues to be made to restrict overstocks and, accordingly, subject to unforeseen circumstances, I look forward to being able to report in my next annual statement another year of continued growth in profits for the group.

Murray Fogel, Chairman.

TEXAS HOME CARE

LETRASET SHARE SCHEMES TARGET

Letraset International, producer of type transfer and instant lettering systems, has set an achievement target for its share incentive and option scheme, as an increase in earning per share equivalent to 15 per cent a year compounded annually, for 1979-1980.

Under the schemes, established in 1975, options are not exercisable and incentives shares do not rank for dividend until the profit target is achieved. The directors point out that the setting of the target does not constitute a forecast or prediction of the year's surplus. Last year's accounts showed stated earnings per share more than 18 per cent ahead.

INSURANCE BASE RATES

Property Growth	11 1/2%
Vanbrugh Guaranteed	11%

† Address shown under Insurance and Property Bond Table

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	July	Last	Vol.	Jan.	Last	Stock
ABN O F.344.20	2	—	—	—	—	—	F.547
ABN O F.344.30	—	—	—	15	7.50	—	—
ABZ O F.35.50	80	0.50	80	1	2.60	F.87.30	—
ABZ P F.35.50	—	—	—	7	1.60	—	—
EK O F.90	—	—	—	2	8	1	8571
HO O F.38.50	—	—	—	2	2.80	—	F.22.80
HO O F.38.50	—	—	—	1	1.30	—	—
HO O F.57.50	—	—	—	13	1	—	—
IBM O F.80	—	—	—	—	—	—	3308
IBM P F.80	—	—	—	—	—	—	—
KLM O F.100	10	0.50	—	—	—	—	F.108
KLM O F.110	8	0.80	—	8	0.70	11	7.90
KLM O F.120	5	0.90	—	—	—	10	4.50
KLM O F.130	5	0.50	—	—	—	—	—
KLM P F.140	60	1.50	—	—	—	—	—
KLM P F.150	1	1.50	—	—	—	—	—
KLM P F.160	1	4.50	—	—	—	—	—
PHI O F.80	26	0.60	—	15	1.50	15	3.80
PHI O F.87.50	—	—	—	10	0.90	1	0.90
PHI P F.80	—	—	—	—	—	—	—
PHI P F.87.50	—	—	—	—	—	—	—
RD O F.130	2	0.60	—	—	—	—	F.125
RD O F.140	48	2.20	—	18	4.70	—	—
RD O F.150	—	—	—	85	4.30	—	—
RD O F.160	—	—	—	—	10	5.50	—
UNI O F.125	—	—	—	—	—	—	F.153.70
UNI O F.130	—	—	—	1	1.70	—	—

C. D. Bramall

Main Dealers for cars, vans, commercial vehicles, tractors and agricultural equipment.
Fleet sales, contract hire, leasing, hire purchase.

"I am confident the Group will again achieve record results in 1979"

Tony Bramall, Chairman

At the first Annual General Meeting as a public company on 25th May, 1979 Mr. Bramall told shareholders:

- * Profits for the first four months of this year are well ahead of the same period last year.
- * With the Ford Motor Company's plans for an increased share of the market, I feel we must benefit considerably.

Results at a glance	1978	1977
Turnover	£2,000	£2,000
Profit before tax	20,177	17,658
Earnings per share	1,405	1,124
Dividend per share, net	28.9p	21.2p
	4,5694p	

Copies of the Annual Report and Accounts can be obtained from The Secretary, C. D. Bramall Limited, 146/148 Tong Street, Bradford BD4 9PR.

BREEDON AND CLOUD HILL LIME WORKS LIMITED

Limestone Quarrying

	1978	1977
Turnover	£3,212,141	£2,793,553
Profit before taxation	887,988	744,059
Profit after taxation	445,379	363,085
Total Dividend per share	5.46p	4.89p
Earnings per share	11.00p	8.97p

Highlights from the Statement by the Chairman, Col. P. H. Lloyd:

- * Record results for 1978 were achieved under very difficult conditions.
- * The investment in new plant and equipment has had a beneficial effect on our efficiency and we shall continue with this policy of investment in new plant as and when required. This programme is evidence of our confidence in the future and although the difficult conditions in the construction industry are continuing, I have no doubt that your Company is eminently well placed to take full advantage of opportunities as they arise.
- * Given the frequent and substantial fluctuation that can occur on the basis of which estimates of the value of mineral reserves may be calculated, these reserves continue to be shown in the balance sheet at the nominal figure of £1. The present extraction rate will ensure the long term employment prospects of employees and will permit the efficient operation of our quarries consistent with our responsibility to conserve the environment.

Breedon-on-the-Hill, Leicester

The Edinburgh Investment Trust Limited

Results for the year ended 31 March	1979	1978	%
Equity Stockholders' interest	£91.4 million	£73.9 million	+23.7
Net asset value per stock unit (£1)	329.6p	226.7p	+23.6
Revenue available for equity dividends	£2.17 million	£1.96 million	+10.7
Proposed dividend for the year	7.80p	6.75p	+15.5

SUMMARY OF STATEMENT BY THE CHAIRMAN, Mr. I. R. GUILD

In the current year with the first income due to be received from your company's large holding in **LASMO** oil production stock units and with the prospect of dividend restraint being relaxed the prospect of a further substantial dividend increase.

The assets of your company for the first time exceed £100 million. For anyone interested in day-to-day changes in the asset value it is now possible to telephone the company and be told the net asset value of the shares worked out from the closing prices of the previous day. **THE NUMBER TO RING IS 031-226 3340.**

From its incorporation the equity capital of your company has been described as deferred stock. Your board recommend that in future it be designated as ordinary shares (25p) resulting in a shareholder having 4 ordinary shares in place of at present 1 deferred stock unit (£1).

The recent performance of investment trusts does not justify the discount that trust shares have been sold at since both dividends and asset values have grown steadily. It appears that investors have not appreciated the benefit of a wide spread of risk. An investment trust is still the cheapest way of obtaining skilled and professional management of investors' funds.

The Annual General Meeting will be held on Monday 18 June 1979 at the company's offices.

Copies of the Annual Report and

WORLD STOCK MARKETS

Companies and Markets

Irregular trend on Wall St.

INVESTMENT DOLLAR PREMIUM... Ashland Oil fell \$1 1/4 to \$11 on trading that included four big blocks totaling more than 1.3m shares.

NEW YORK... Control Data... Johnson & Johnson... Abbott Labs... AM International... Air Products...

Table of stock prices for various companies including Johnson & Johnson, Abbott Labs, and others, with columns for stock name, price, and change.

Indices

Table of market indices including Dow Jones Industrial Average, S&P 500, and various international indices.

NEW YORK - DOW JONES

Detailed table of Dow Jones Industrial Average components and their performance.

FRIDAY'S ACTIVE STOCKS

Table of active stocks on Friday, including names, prices, and changes.

F.T. CROSSWORD PUZZLE No. 3981

A prize of £5 will be given to each of the solvers of the first three correct solutions...

Crossword puzzle grid with clues for Down and Across words.

ACROSS

- 1 Denigrate dramatic collapse (4)
2 Rain indicator (6)
3 Chided theatre company that roamed about (8)
4 Thinking about America in China (6)
5 With Danish capital we'll be able to live (5)
6 Heated canvas shelter to return to Africa (8)
7 Dressing right cupholder (6)
8 Wonderful game with which to deceive the Queen (7)
9 Match maniac with great vigour (4, 3)
10 Small share sailor has in temporary home (6)
11 Felt hat could be on the alert (4, 5)
12 Deservings another throw
13 Destroyer of vehicle followed by backword boy (6)
14 Woolly buttoned up in Wales (8)
15 Gipsy gets right round a lot of people (6)
16 Failing to take sold to renegade (8)
17 Sharpen female if... (7)
18 she stays at home full of pins and needles (9)
19 Game that need not lack drive (5)
20 Just a member on whom one depends most (5, 3)
21 Point to label on wound (4)
22 What's that you say (4)
23 Spot on departed Tories (4, 5)
24 Pass off strike by superior (4, 4)
25 Dressing up can be a bore (4)
26 Look at times spent at Lords
27 Ho's dog went to get a black eye (6)
28 Dug up overall material (5)
29 You and I would for example turn up in club (5)
30 Solution to Puzzle No. 3980

DOWN

- 1 Give good money outside bar to see burlesque (6)
2 Fruit knife made into drink (5, 4)
3 Funny putting dunderhead on register (5)
4 Sharpen female if... (7)
5 she stays at home full of pins and needles (9)
6 Game that need not lack drive (5)
7 Just a member on whom one depends most (5, 3)
8 Point to label on wound (4)
9 What's that you say (4)
10 Spot on departed Tories (4, 5)
11 Pass off strike by superior (4, 4)
12 Dressing up can be a bore (4)
13 Look at times spent at Lords
14 Ho's dog went to get a black eye (6)
15 Dug up overall material (5)
16 You and I would for example turn up in club (5)
17 Solution to Puzzle No. 3980

SOLUTION AND WINNERS OF PUZZLE No. 3975

Following are winners of last Saturday's prize puzzle: Miss K. Farrer, 25 Pearce Avenue, Parkstone, Poole, Dorset.

RACING BY DOMINIC WIGAN

Devon Ditty looks Demmy prospect

GUS DEMMY, the much-respected Manchester-based bookmaker, died on Thursday after a long illness...

HAYDOCK

- 1.30-Concession**
2.00-Kampala
2.30-Devon Ditty
3.00-Trefala
3.30-Royal Inheritance
4.00-Lee Moss**
4.30-Seamark*

SPAIN

Table of Spanish stock market data including company names, prices, and changes.

GERMANY

Table of German stock market data including company names, prices, and changes.

AUSTRALIA

Table of Australian stock market data including company names, prices, and changes.

PARIS

Table of Paris stock market data including company names, prices, and changes.

STOCKHOLM

Table of Stockholm stock market data including company names, prices, and changes.

Financial Times Saturday, May 26, 1979

INTERNATIONAL COMPANIES and FINANCE

Aer Lingus denies link with CIGA

THE IRISH STATE airline, Aer Lingus, has officially denied reports from Rome that one of its subsidiary companies is buying a substantial stake in the major European hotel chain, CIGA.

Toshiba earns 39% more

TOKYO — Toshiba Corporation, the Japanese electric machinery producer, has announced that its net profit in the year to March 31, totalled 19,400bn (853.2m), up 39 per cent from 13,900bn in the previous year.

Yen loss for Honda in second half

BY DONALD MACLEAN

HONDA MOTOR COMPANY, which is linking in the UK with BL Cars, made a net loss of ¥2,740bn (\$12.45m) in the second half of the financial year to February, reducing earnings for the full year to ¥14,090bn just over half the ¥27,490bn of the previous year.

The consolidated profits of Honda are thus lower than those reported last month for the Honda parent company, which showed a fall of 8 per cent to the year to ¥16bn.

Honda's overseas sales make up a heavy part of its total, and rose in 1978-79 to the equivalent of ¥64,800bn (\$300m), or 2.2 per cent. This equaled 64.2 per cent of the overall volume, compared with the 64.3 per cent in 1977-78, and 66 per cent of 1977-78.

Honda's relatively fast exportation of sales of four-wheeled vehicles continued with a rise of 16.9 per cent to 460,000 units, while overseas sales of motor cycles fell by 1.5 per cent to 1,550m.

In the domestic market, four-wheeled vehicle sales gained 5.8 per cent to 256,000, and motor cycle 7.1 per cent to 908,000.

The overall value of consolidated sales increased by 4.6 per cent to ¥1,030bn (\$47.6b).

Honda's February year-end means that its figures have been less strongly affected than those of Japanese companies which reported 1978-79 results — by the recent recovery in the yen. The yen stood around ¥248 to the dollar at the end of February, 1977, and at ¥199 by end-August, and it rose to ¥202 by the end of the financial year, compared with ¥210 at the end of March and last night's level of some ¥220.

Wrangler jeans maker in Australian bid

By Our Sydney Correspondent BLUE BELL, one of the leading international jeans and leisure wear manufacturers, is making a bid for Amco Holdings, the biggest jeans maker in Australia. Blue Bell is best known for its "Wrangler" brand garments and is second only to Levi Strauss in the U.S. market.

Japan's textile sector recovers

BY RICHARD C. HANSON IN TOKYO

THE SYNTHETIC textile industry has shown a sharp recovery from the doldrums of the past few years as rationalisation and production cuts, combined with lower costs for raw materials, have returned cumulative profits to the industry. The industry may face trouble later this year, however, as oil prices continue to soar.

Mitsubishi Rayon moved one step closer to eliminating accumulated debts from its books, turning in an operating profit of ¥3,240bn last year, as against a ¥8,150bn loss the year before. Sales showed a decrease of 17.7 per cent to ¥145,680bn, from ¥173,270bn, but this was the result of the shift of its acrylic sales functions to a joint venture with Toyobo, a leading spinner, last year.

It still had a net loss of ¥1,030bn, against a loss of ¥1,340bn, but this reflects absorption of about ¥1bn in accumulated losses. It expects that sales this year will be up to ¥150bn, while operating profit will be ¥2.2bn. Net profit is expected to be ¥2.2bn.

Asahi Chemical Industries, the largest maker of acrylic fibre, faced a sales drop to ¥424,700bn from ¥441,300bn, but operating profit nearly tripled to ¥19,900bn from ¥7,400bn, and net profit rose to ¥7,100bn from ¥4,000bn.

The company, which had suffered from export declines, forecast that sales this year would reach ¥450bn, with operating profit at ¥20bn and net profit up to ¥9bn.

Utility chiefs attack delay over Spain's energy plan

BY DAVID GARDNER IN MADRID

THE CHAIRMEN of Spain's second and third largest utilities, Hidro-Electrica Espanola (Hidro) and Sevillana de Electricidad, have strongly criticised the Government for its delay over the new National Energy Plan (PEN) and energy price rises.

The First Viking Commodity Trusts

Commodity OFFER 43.5 Trust BID 41.5 Double OFFER 40.7 Option Trust BID 38.7

the installation of some 11,000 megawatts of nuclear power over the next ten years, and is crucial to the prospects of the construction and capital goods industries as well as to the utilities.

French cable purchase to strengthen Pirelli hand

BY TERRY DODSWORTH IN PARIS

THE LEADING European position in wire and cable manufacturing is being further strengthened by the agreement between the Pirelli group and Trefimetaux of France, a Pechniney Ugine Kuhlmann subsidiary.

Santos compromise proposed

By James Forth in Sydney

A COMPROMISE solution which would enable interests associated with the business, Mr. Alan Bond, to retain his existing 25.5 per cent equity in Santos, the exploration company, was proposed yesterday in the South Australian Parliament.

The State Government is seeking to force through legislation a special sitting of Parliament to limit individual shareholdings in Santos to 15 per cent of the capital, a move aimed at the Bond group.

Santos is the operator and major partner in the Cooper Basin gas and liquids consortium which supplies Adelaide and Sydney with natural gas.

The State Government claims that the Bond group wants to limit its stake in Santos to at least 51 per cent, and argues that this is against the interests of the State.

Hoover to buy family shares

BY OUR FINANCIAL STAFF

ATTEMPTS by Fuqua Industries, to buy into appliance maker Hoover were thwarted yesterday by the latter's offer to match the Fuqua bid for the shares held by a major family shareholder in Hoover.

Hoover is offering \$22 a share for the 1,038 shares owned by Herbert Hoover Jr and related persons under the company's right of first refusal for any family held shares that are put up for sale.

Hoover expects the purchase to end continuing disputes between the company and the Hoover family member and prevent Fuqua Industries from acquiring those shares. The purchase may also have the effect of "broadening the financial alternatives available to the company, including the possible sale of the company."

For its part, Fuqua's interest in pursuing the purchase of Hoover shares from members of the Hoover family "has not diminished," Mr. Lawrence Klamm, senior vice-president of Fuqua declared yesterday. There are still a lot of Hoover shares left in family member hands, he added.

Hoover family members control some 5.4m Hoover shares. Mr. Klamm said family member response to Fuqua's offer "is increasing in a favourable way."

Hoover will borrow, under a line of credit from the European American Bank, \$150m to buy the Hoover shares. The balance of the purchase price will be paid from internally generated funds, Hoover explained.

French cable purchase to strengthen Pirelli hand

BY TERRY DODSWORTH IN PARIS

THE LEADING European position in wire and cable manufacturing is being further strengthened by the agreement between the Pirelli group and Trefimetaux of France, a Pechniney Ugine Kuhlmann subsidiary.

under the terms of this deal, Trefimetaux is to cede control of its wire and cable activities, including those of its affiliate companies, Societe des Fils Emilles end-Pechniney, to the Pirelli group. The group foresees healthy prospects for this business in EEC export markets.

SILVER THE TREND AND THE TIMING We have very definite views PRESTON GARDNER (COMMODITIES) LTD. 53 Sunbridge Road Bedford B1 2PA Tel: 91170

MARKET REPORTS BASE METALS COPPER, NICKEL, SILVER, RUBBER, SOYABEAN MEAL, COCOA, COFFEE, SUGAR, WHEAT, GRAINS, WOOL FUTURES

AMERICAN MARKETS METALS rise again NEW YORK, May 25. PLATINUM, gold and silver rose again to new peaks but copper declined.

COMMODITIES/Weekly review Platinum and silver reach new peaks

PLATINUM AND SILVER reached record levels this week following the upward bid in gold to a new peak of \$1,000 an ounce, a result of inflation resulting from the rise in oil prices.

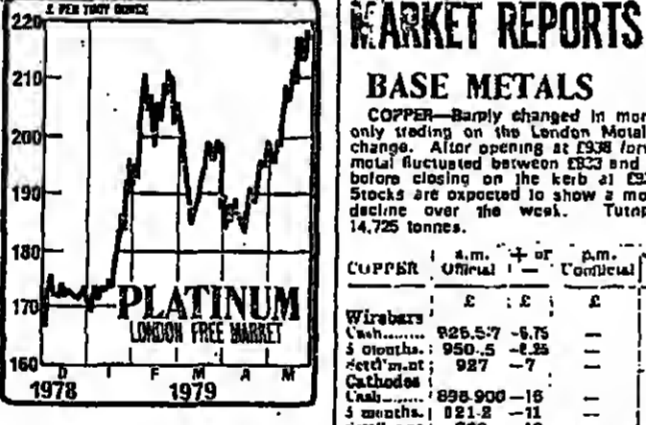


Table with columns: Commodity, Latest price, Change, Year ago, High, Low. Includes items like US, UK, Wheat, Coffee, Sugar, etc.

Low output at antimony plant

BOLIVIA'S only antimony refinery is presently working at 75 per cent of capacity because of low international market prices for the mineral, according to the spokesman for the owner, ENAF, the State-owned national industry company.

Weekly price changes

Table with columns: Commodity, Latest price, Change, Year ago, High, Low. Includes items like US, UK, Wheat, Coffee, Sugar, etc.

FINANCIAL TIMES DOW JONES

Table with columns: Date, Index, Change, Year ago, High, Low. Includes Dow Jones, FTSE 100, etc.

Further widespread equity falls in absence of buyers
Share index down 5.2 for 3-week loss of 52.2 at 506.4

Account Dealing Dates
Option
First Declara- Last Account
Dealing Date Dealings Day
May 5 May 17 May 18 May 30

Wednesday's settlement of bargains done in the Account which ended on Friday, May 18, when some sizeable hills will need to be met by those who had built up big bull positions in anticipation of the Tory win.

Stocks markets gave further ground at the end of the first leg of the trading account yesterday. Gilt-edged eased a fraction more but were tending to pick up unchanged in the late trade while the equity leaders closed above the worst but ended with further widespread falls extending to 6 and occasionally more.

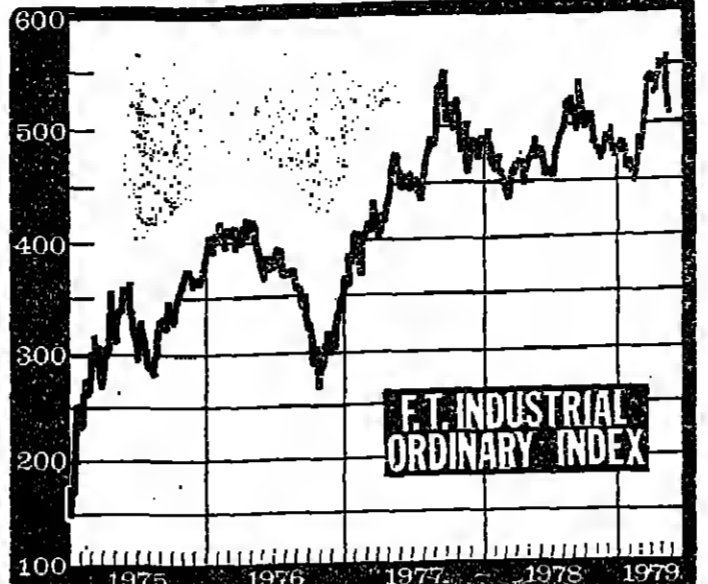
Yesterdays falls largely reflected an early mark-down by jobbers to stem an expected continuation of the persistent so-called selling which occurred in Thursday's late trade. Business was limited again—official markings slightly exceeded 4,000 for the third successive day—and the general price level was again vulnerable as the continued absence of worthwhile support.

Interest in the Gilt-edged sector was at a low ebb in front of the long holiday week-end. Reflecting the higher than expected public borrowing requirement for 1978-79, long-dated stocks opened around 1 1/2 lower and eased a further 1/2 before staging a technical rally to close with losses of around 1/2 on balance, while short-dated stocks drifted a little easier and closed with falls of 1/2. The final tone was steady to firm with the long trending higher in the late dealings.

A subdued day in the investment currency market saw the premium move down to 58 1/2 cent before a close of 2 off on balance at 56 1/2 per cent. Yesterday's SE conversion factor was 0.8069 (0.7967).

Again reflecting a subdued equity business, Traded options attracted 1,029 contracts for a week's daily average of 977, the lowest for some three months. Courtauld's was the dominant issue, recording 184 trades, while Cons. Gold and Marks and Spencer attracted 164 and 127 deals respectively.

The major clearing banks mirrored the weak trend and closed with falls extending to 13. Barclays fell that much to 455p while other major banks fell 10 to 15. Discount dipped 8 to 350p and Hill Samuel Warrants relinquished 50 to 375p.



LONDON TRADED OPTIONS table with columns for Option, Ex-rcse, Closing price, Vol., and Equity close. Includes sub-tables for July, Oct., and Jan. options.

Banks dull
The major clearing banks mirrored the weak trend and closed with falls extending to 13. Barclays fell that much to 455p while other major banks fell 10 to 15.

Drop in Wm. Mowat
Secondary issues provided the main focal points in Stores. The announcement of increased bid terms from Harris Queensway brought contrasting movements in Hardys (Finnishers); the Ordinary fell to 125p before closing 20 down on balance at 145p.

John Brown ending 14 off at 513p and Tubers 6 down at 400p. Elsewhere, Simon remained depressed by the film rights issue and gave up 7 further to 289p for a fall of 19 since the start of the week of 47 1/2.

Marked lower at the outset. Properties attracted a few cheap buyers and closed at, or sometimes slightly above, the overnight levels. Land Securities, annual results next Wednesday, closed unchanged on balance at 310p, after 306p. Elsewhere, scattered selling left Evans of Leeds 6 cheaper at 105p and recently firm Rush and Tompkins 5 off at 135p.

subsidary of Reed International, the latter receded to 174p. Traders reacted to the lower trend in the equity market, closing with falls to 6. In Financials, S. Pearson fell 8 to 232p.

Among idle Shippings, Lyle attracted a few buyers and ended 4 to the good at 189p. A fresh \$6 surge in the bullion price to an all-time closing high of \$370.65 per ounce, after \$371.12, prompted a flurry of buying interest in South African Golds.

RISES AND FALLS table showing percentage changes for various market categories like Corporate, Financial, and Industrial.

NEW HIGHS AND LOWS FOR 1979 table listing various stocks and their current prices.

RECENT ISSUES table listing newly issued stocks and their details.

FIXED INTEREST STOCKS table listing various fixed interest securities.

"RIGHTS" OFFERS table listing rights issues and offers.

BASE LENDING RATES table showing interest rates for various banks and terms.

CONSTITUTION CHANGES table listing changes in company structures.

ACTIVE STOCKS YESTERDAY table listing active stocks and their price changes.

RECENT ISSUES table listing newly issued stocks and their details.

FIXED INTEREST STOCKS table listing various fixed interest securities.

"RIGHTS" OFFERS table listing rights issues and offers.

BASE LENDING RATES table showing interest rates for various banks and terms.

CONSTITUTION CHANGES table listing changes in company structures.

ACTIVE STOCKS YESTERDAY table listing active stocks and their price changes.

RECENT ISSUES table listing newly issued stocks and their details.

FIXED INTEREST STOCKS table listing various fixed interest securities.

"RIGHTS" OFFERS table listing rights issues and offers.

BASE LENDING RATES table showing interest rates for various banks and terms.

CONSTITUTION CHANGES table listing changes in company structures.

ACTIVE STOCKS YESTERDAY table listing active stocks and their price changes.

RECENT ISSUES table listing newly issued stocks and their details.

FIXED INTEREST STOCKS table listing various fixed interest securities.

"RIGHTS" OFFERS table listing rights issues and offers.

BASE LENDING RATES table showing interest rates for various banks and terms.

CONSTITUTION CHANGES table listing changes in company structures.

ACTIVE STOCKS YESTERDAY table listing active stocks and their price changes.

RECENT ISSUES table listing newly issued stocks and their details.

FIXED INTEREST STOCKS table listing various fixed interest securities.

"RIGHTS" OFFERS table listing rights issues and offers.

BASE LENDING RATES table showing interest rates for various banks and terms.

CONSTITUTION CHANGES table listing changes in company structures.

ACTIVE STOCKS YESTERDAY table listing active stocks and their price changes.

RECENT ISSUES table listing newly issued stocks and their details.

FIXED INTEREST STOCKS table listing various fixed interest securities.

"RIGHTS" OFFERS table listing rights issues and offers.

BASE LENDING RATES table showing interest rates for various banks and terms.

CONSTITUTION CHANGES table listing changes in company structures.

FINANCIAL TIMES STOCK INDICES table showing various stock indices and their values.

HIGHS AND LOWS S.E. ACTIVITY table showing high and low prices for various stocks.

FT-ACTUARIES SHARE INDICES table showing share indices for various actuarial groups.

Handwritten signature or note at the bottom of the page.

Chestertons logo and address information.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield.

Over Fifteen Years

Table of funds with a 15-year track record.

Unrated

Table of unrated funds.

INTERNATIONAL BANKS

Table of international bank shares.

CORPORATION LOANS

Table of corporation loan rates.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loan rates.

LOANS

Table of general loan rates.

Public Bond and Ind.

Table of public bond and industrial rates.

Financial

Table of financial instrument rates.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail shares.

AMERICANS

Table of American stock shares.

CANADIANS

Table of Canadian stock shares.

S&L List Premium 24%

Conversion factor 0.8059 (0.7967)

BANKS & HP—Continued

Table of bank and HP shares.

BANKS AND HIRE PURCHASE

Table of bank and hire purchase shares.

BANKS & HP—Continued

Table of bank and HP shares.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit shares.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building, timber, and road shares.

BANKS AND HIRE PURCHASE

Table of bank and hire purchase shares.

BANKS AND HIRE PURCHASE

Table of bank and hire purchase shares.

CHEMICALS, PLASTICS—Cont.

Table of chemical and plastic shares.

DRAPERY AND STORES

Table of drapery and store shares.

ELECTRICAL AND RADIO

Table of electrical and radio shares.

CHEMICALS, PLASTICS

Table of chemical and plastic shares.

ELECTRICAL AND RADIO

Table of electrical and radio shares.

ENGINEERING—Continued

Table of engineering shares.

DRAPERY AND STORES

Table of drapery and store shares.

ELECTRICAL AND RADIO

Table of electrical and radio shares.

CHEMICALS, PLASTICS

Table of chemical and plastic shares.

ELECTRICAL AND RADIO

Table of electrical and radio shares.

HOTELS AND CATERERS

Table of hotel and caterer shares.

INDUSTRIALS (Miscel.)

Table of miscellaneous industrial shares.

FOOD, GROCERIES, ETC.

Table of food, grocery, and other shares.

ENGINEERING MACHINE TOOLS

Table of engineering machine tool shares.

FINANCIAL TIMES

Head Office: The Financial Times Limited, Bracken House, 10, Cannon Street, London EC4A 4BY

Frankfurt Office: The Financial Times (Europe) Ltd., Frankfurter 68-72, 6000 Frankfurt-am-Main 1

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de Saumur, 75002, Tel: 220044 72

EDITORIAL OFFICES: Rome: Via della Mercede 52, Tel: 610032 21

EDITORIAL OFFICES: Stockholm: C/o Svenska Dagbladet, Rindögsvägen 7, Tel: 73603 50

EDITORIAL OFFICES: Tokyo: 8th Floor, Nishi Keizai Shinbun Building, 1-4-5 Otomachi, Chiyoda-ku, Tel: 27104 761

EDITORIAL OFFICES: Washington: 2nd Floor, 1325 E Street, N.W., Washington D.C. 20004, Tel: 440340 72

EDITORIAL OFFICES: Advertisements: 885033, Telegrams: Finantim, London, Telephone: 01-248 8000

EDITORIAL OFFICES: Birmingham: George House, George Road, Tel: 238650 21

EDITORIAL OFFICES: Edinburgh: 37 George Street, Tel: 72484 761

EDITORIAL OFFICES: Lisbon: Praça de Alegria 50-10, Lisbon 2, Tel: 12533 761

EDITORIAL OFFICES: Madrid: Esplanada 32, Madrid 3, Tel: 441 6772

EDITORIAL OFFICES: Manchester: Queen's House, Queen Street, Tel: 666113

EDITORIAL OFFICES: Moscow: Kozlovskaya 14, Apartment 1, Moscow, Tel: 7920 21

EDITORIAL OFFICES: New York: 75 Rockefeller Plaza, N.Y. 10019, Tel: 66390 121

EDITORIAL OFFICES: Paris: 36 Rue de

Handwritten note: J.P. 110150



INDUSTRIALS—Continued. Table listing various industrial companies with columns for Stock, Price, and Change.

INSURANCE—Continued. Table listing insurance companies and their stock prices.

PROPERTY—Continued. Table listing property-related companies and their stock prices.

INVESTMENT TRUSTS—Cont. Table listing investment trusts and their stock prices.

FINANCE, LAND—Continued. Table listing finance and land-related companies and their stock prices.

MINES—Continued AUSTRALIAN

Table listing Australian mining companies and their stock prices.

TINS

Table listing tin companies and their stock prices.

COPPER

Table listing copper companies and their stock prices.

MISCELLANEOUS

Table listing miscellaneous companies and their stock prices.

GOLDS EX-EX PREMIUM

Table listing gold-related companies and their stock prices.

NOTES

Notes section containing various financial notices and company announcements.

REGIONAL MARKETS

Table listing regional market data for various areas.

OPTIONS 3-month Call Rates

Table listing 3-month call option rates.

DIAMOND AND PLATINUM

Table listing diamond and platinum prices.

CENTRAL AFRICAN

Table listing Central African market data.

LEISURE

Table listing leisure-related companies and their stock prices.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies and their stock prices.

ADAGAS AND DISTRIBUTORS

Table listing Adagas and distributors companies and their stock prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher companies and their stock prices.

PAPER, PRINTING ADVERTISING

Table listing paper, printing, and advertising companies and their stock prices.

PROPERTY

Table listing property-related companies and their stock prices.

SHIPPING

Table listing shipping companies and their stock prices.

SHOES AND LEATHER

Table listing shoes and leather companies and their stock prices.

SOUTH AFRICANS

Table listing South African companies and their stock prices.

TEXTILES

Table listing textile companies and their stock prices.

TOBACCO

Table listing tobacco companies and their stock prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies and their stock prices.

FINANCE, LAND, etc.

Table listing finance, land, and other companies and their stock prices.

INSURANCE

Table listing insurance companies and their stock prices.



M&G Year Book 1979

MAN OF THE WEEK

Canada's right swing

BY JUREK MARTIN

NOT LONG after Joe Clark had been chosen as head of Canada's Progressive Conservative...

If anybody is to be considered in the future as coffee boy it is not Joe Clark who on Tuesday ended the intensely personal and controversial 11-year Prime...

But it is a position which Mr. Clark has pursued with single-minded determination for all...



Joe Clark Was perceived as the antithesis of Pierre Trudeau

his adult life. He dropped the idea of taking a law degree so as to serve his apprenticeship in grass roots organisations...

Even in the years between university and the Commons when he travelled in Europe doing assorted jobs, his principal interest was to study the foreign body politic. He even went to rock concerts in London...

But hard work alone did not make him Prime Minister. He won the prize because he was perceived as the antithesis of Pierre Trudeau—English not French, homespun not sophisticated, deferential to his peers not arrogant, and close to his Western roots not enmeshed in intellectual theories.

Joe Clark almost encouraged the public perception of "Joe who?" and, for that reason, stonically endured the barbs hurled at him during the campaign. When a French Canadian writer said he was the Epitome of English Canada, "odorless, tasteless and colourless," it was turned almost into a virtue...

He inherits the Prime Ministership at a testing time, especially in dealings with French-speaking Quebec, with only minimal public knowledge of how he will go about his task. His election platform was mild, even vague. It seems certain that he will bring to bear the western virtues and attitudes, which combine hard work and earnestness with a high degree of impatience for what are seen as Quebec's eternal demands on the confederation.

As he himself put it in a recent interview: "Prime ministers are elected in part in relation to their times. I think that the nation's needs and my capabilities tend to come together at the same time. In any case, you are what you are. If you try to be something else, people see it as false." Canada's preferred the devil it did not know to the one it knew too well.

Euphoric return to El Arish

BY ROGER MATTHEWS IN EL ARISH, EGYPT

GROWDS OF laughing, weeping and sometimes nearly hysterical Egyptians yesterday greeted the first territorial gain to emerge from the peace treaty with Israel: the return of El Arish, main city of Sinai.

President Anwar Sadat will drive today through the city of 30,000 people, which has known Turkish and British occupation this century.

The latest occupiers, the Israelis, who had held the city since they overran Sinai in the Six Day War of June, 1967, withdrew just before midday, but not before their vigorous crowd control had threatened to turn a peaceful, happy occasion into a near riot.

As the Israeli flag was lowered and the Egyptian one raised on the outskirts of the city, several thousand Egyptians tried to break through the Israeli line of troops and police.

Momentarily they succeeded, but were forced back by troop carriers and jeeps. Eventually, the Israelis were forced to give, and the crowd surged forward 100 yds.

Once they were there, the Egyptian security men gave the classic clenched-finger gesture to the crowd to ask for patience.

Although the shouts and chants were mainly good-natured, the cries of "Sinai is Arab, Palestine is Arab, Jerusalem is Arab" gathered strength as the Israeli troops withdrew.

Within minutes, the Israeli street signs were coming down throughout the city.

President Sadat is clearly anxious to demonstrate to his newly returned citizens that life in peace under Egypt is at least as prosperous as occupation under the Israelis.

The Israeli troops were over-enthusiastic yesterday, officers from both sides agreed that getting to know each other had been enriching and worthwhile.

"We want the whole world to know that was senseless and peace is beautiful," said an Israeli colonel of 57.

The Egyptians had flown in flowers from Cairo for their Israeli counterparts, and the final moments of withdrawal had something of the atmosphere of a last night in a very dusty, hot theatre with an audience that decided it was part of the show.

During the next nine months, the Israeli forces will withdraw from two thirds of Sinai. They will be out completely in three years.

These are perhaps the most heady moments of peace for President Sadat and for Egypt. The fact, however, that the rest of the Arab world remains hostile to what it regards as a sell-out of the Palestinian cause and of other Arab rights is a severe reminder that the road to peace is still far from complete.

Israel-Egypt talks, Page 2

Civil Service overtime ban sought by union

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE unions will be asked next week to ban overtime in response to the Government's decision to freeze recruitment for at least three months.

In the first challenge of industrial action to the Government's programme of staffing cuts in the public services, the executive of the Society of Civil and Public Servants, the second largest Civil Service union, decided yesterday to press for the overtime ban, a ban on work-sharing to cover staff shortages and a general TUG-backed campaign to resist the cuts.

An overtime ban, it accepted by the other unions, could have serious effects on the implementation of any tax changes in the Budget, on pension changes and on other work handled by the Department of Health and Social Security.

Many Government departments are relying heavily on overtime to try to clear the

backlog of work from the industrial action earlier this year over pay in the service, which was spearheaded by the society.

Some departments, though, following the detailed instructions on the freeze issued by the Customs and Excise Department, are already cutting overtime. The department estimates that a 5 per cent reduction in overtime is roughly equivalent to losing 125 jobs.

The society's proposals will be considered by senior officials of the other eight unions on Tuesday. Mr. Gerry Gillman,

society general secretary, said yesterday the action would be designed to ensure that the Government had to face the full consequences of its decision to cut staff.

"We will not cooperate in any way to cover up the damage this will do."

The Government's decision to impose staff cuts of 3 per cent by a recruitment freeze is an attempt to recoup part of the cost of the recent settlement for 600,000 civil servants, which added 18 to 17 per cent to a service's £23m pay bill.

Officials have made it clear to union leaders, though, that some Ministers will be able to authorise exceptions to the cuts. The number of departments is not yet known, but the Inland Revenue and—particularly—the prison service are strongly favoured. Ministers will have flexibility in certain "difficult" areas such as local DHESS offices.

Postal workers accept offer, Page 4

West German concern over oil company price structures

BY ROGER BOYES IN BONN

THE WEST GERMAN Government is seriously concerned about the pricing of certain fuels, especially heating oil, Count Otto Lambsdorff, the West German Economic Minister, said yesterday. But he said, West Germany currently had sufficient stocks of oil.

The Minister's statement was clearly intended as a warning to the major oil companies that they should revise their pricing structures. Count Lambsdorff is to meet representatives of the oil companies next week after his other work on a trip to the UNCTAD conference in Manila.

The main point on the agenda will be light heating oil prices which rose by more than 74 per cent between last October and April. This compared with rises of only 6 per cent for normal grade petrol and 5.2 per cent for super grade during the same period.

"We understand that the oil companies are anxious to maintain their margins. But our impression is that that has

worked out too much in favour of the car driver and placed too high a burden on the consumer of heating oil," the Minister said.

Light heating oil is used mainly as household fuel while heavy heating oil—which became 39 per cent dearer between October and April—is the main industrial heating fuel.

The price rises were causing both social and economic problems, Count Lambsdorff said. But the Government would not be able to give continuous support to the average consumer in the form of social benefits or tax relief. The oil companies had to show a sense of socio-economic responsibility.

There seems little likelihood of the German-based oil companies giving way to pressure from Count Lambsdorff. There was no immediate comment from the companies but it is understood that they will resist attempts to lower heating oil prices, at least until the late

summer. They say that the heating oil prices have been forced on them because of the squeeze between the high Rotterdam spot market prices, and the relatively low refinery prices in Germany.

While Count Lambsdorff did not deny the difficulties caused by the prices reached on the Rotterdam spot market, he emphasised that the short-term supply situation was not desperate for West Germany.

Compared to the 19 other members of the International Energy Agency, Germany was in quite a favourable position, he said. Total stocks—including the commercial reserves at refineries and those held by industrial consumers—stood at 106 days.

In the first half of this year, the Minister estimated, oil imports would be 6 per cent up on a year before. While the increase in consumption would be somewhat less, this he said, compared extremely favourably with the rest of the IEA.

Further rise in U.S. prices

BY DAVID BUCHAN IN WASHINGTON

INFLATION in the U.S. continued to soar last month. Consumer prices rose an average 1.1 per cent, pushed up by a 6 per cent increase in petrol prices, which was the highest monthly increase since the 1973-74 Arab oil embargo.

The worrying April increase, following rises in the consumer price index of 1.2 per cent in February and 1 per cent in March, put inflation over the past three months at an annual rate of 13.9 per cent.

President Jimmy Carter's

top economic advisers yesterday saw little hope of an early overall improvement in the inflation picture, and Mr. Charles Schultze, chairman of the President's council of economic advisers, warned of possible further setbacks to come. The Administration, he said, welcomed the current slowdown in economic growth as a means of curbing inflation.

He and Mr. Alfred Kahn, the President's counsellor on inflation, said that, of the three current engines of the American inflation rate—energy, food and housing

prices—only food price increases could be expected to moderate soon. Wholesale food prices fell slightly last month. But this, they said, had not yet worked through to the retail level, where they rose by 0.9 per cent.

While world oil prices were the result of Organisation of Petroleum Exporting Countries' decisions, Mr. Kahn warned that the Administration was investigating the pricing by U.S. oil companies of their domestic petrol sales, which he claimed had apparently risen faster than crude oil price increases warranted.

Diesel fuel supplies warning

panies—those with up to 80 trucks—hardest.

The larger companies with big delivery tanks and lorries equipped with dual fuel tanks are in the best position to keep a close watch on fuel reserves. While fuel stocks have been depleted the main effect of this is to lay-off the smaller sub-contractors.

Hardest hit are the smaller companies with reserve tanks of about 2,000 gallons capacity who are on the edge of the big supplier's distribution areas.

These are the companies who are having to join the one-man owner-operators on the petrol forecourts for the limited supplies of diesel fuel at prices of

up to £1 and £1.05 a gallon. The area hardest hit by the shortage appears to be the South West of England with the Plymouth office of the Road Haulage Association reporting a number of small operators having halted business and others on the verge of taking their fleets off the road.

The Freight Transport Association warned yesterday that every 5p increase to the price of diesel fuel will add 1 per cent to road haulage costs.

Mr. Gerald Vallance, managing director of W L Vallance, a road haulage company with 80 trucks and 60 trailers based in Bovey Tracey, Devon, said his company had 1,700 gallons of

diesel fuel—enough to last until Tuesday only. Elsewhere, however, there were no reports of hauliers having to stop trading.

Mr. Patrick Bennett, transport and distribution director of Greenwoods Transport based in Hoddeston, Herts, said that although the fuel position was "not too bad overall" he expected it to deteriorate.

Greenwoods runs a fleet of 250 vehicles out of 13 depots and reports a "variation in fuel availability from area to area."

In Manchester and Liverpool the RHA reported the position "difficult and worsening." In Scotland supplies were "tight" but in North Wales supplies were said to be improving.

Davy to build £200m Belgrade steel mill

By Hazel Duffy

ONE of the highest-ever contracts between Britain and Yugoslavia is expected to be signed next week to build a steel mill valued at £200m near Belgrade.

The deal, announced in Belgrade yesterday, will not be finalised, however, until early next week. Sir John Buckley, chairman of Davy International, is going to Belgrade for the signing tomorrow.

The contract is a package deal under which Sheffield-based Davy Loewy will build a mill for cold rolling steel at Smederovo, near Belgrade. The company will also provide technical expertise and £75m-worth of parts.

It is understood that Davy has also arranged the finance for the venture through banks and institutions in the UK with cover from the ECGD. Davy has carried out contracts in Yugoslavia before, including the building of a petro-chemical works in the Zagreb area.

Programme

The steel project extends an existing steel making complex, and represents an important part of Yugoslavia's bid to increase its production of basic materials. It is part of a programme designed to replace the high incidences of imported steel and other materials into Yugoslavia.

The company has developed a substantial process plant business in Communist bloc countries, including the Soviet Union, and other parts of the world. It is particularly optimistic about its future in China, where it already has contracts worth £150m and is expected to gain more soon.

Weather

UK TODAY

SHOWERS, sunny intervals. Perhaps rain in South and Midlands.

Southern England and Wales, Channel Is. Cloudy with bright intervals. Rain at times. Max. 15C (59F).

E. Anglia, Midlands. Bright, becoming cloudy with rain in places. Max. 15C (59F).

Rest of England, N. Wales, Scotland, Isle of Man, N. Ireland. Showers heavy and thundery in places. Bright intervals. Max. 14C (57F).

● Outlook: Rain or showers, sunny intervals. Cool.

WORLDWIDE

Table with 3 columns: City, Y'day, V'day. Lists weather for various cities like Algeciras, Algiers, Athens, etc.

THE LEX COLUMN Market skids on an oil patch

Index fell 5.2 to 506.4

Just as it seemed that the technical weakness of the equity market—the result of over-exuberant speculation on the election—was beginning to work its way out, the fundamentals have turned nasty. Higher oil prices are one thing, but oil prices that look to be moving out of control are quite another, and growing fears of accelerated inflation and depressed world trade have coincided with some lack lustre profit figures.

In the depths of the lorry drivers' strike the market was able to look forward to a recovery in corporate earnings later in the year, but now that figures covering the first quarter of 1979 are actually being published it has not got the strength and confidence to shrug them off.

On top of this the impending Budget poses its own problems. The gilt-edged market can take heart from the Government's determined axe-wielding, but some equity sectors may suffer, and gilts may even be discouraged if after the most titanic efforts to reduce public spending, and a certain amount of fudging the PSBR is still a stubborn £8bn. Moreover gilt-edged yields of 12 1/2 per cent lose much of their attraction when inflation is picking up.

The 30-share index has now fallen 9.3 per cent in 3 weeks, and the Government Securities index by 4.2 per cent, but institutions are keeping their hands in their pockets.

Sheepbridge bid

Guest Keen is proposing what looks like a knock-out offer for Sheepbridge Engineering. Its proposed all-equity bid works out at £40m, or 11 1/2p a share, which is over 50 per cent more than net asset value and represents a premium of 71 per cent on the market price ahead of the news. Sheepbridge has a progressive earnings record, but profits in the year just ended are likely to have fallen below the 55.6m pre-tax of 1977-78.

So the Monopolies Commission may be more of a hurdle for

Guest Keen than the Sheepbridge Board, which has yet to give its verdict. The two businesses are said to be complementary without much product overlap, but of course Guest Keen is already a major power in the motor components market generally.

The main interest in Sheepbridge lies in its subsidiary, Advance Motor Supplies, a wholesale parts distribution business which has some 100 branches around the country. Guest Keen has identified the automotive after-market as one of its prime areas for expansion. It already has sales of roughly £25m a year in parts distribution, and it recently bought one of the large U.S. distributors. Sheepbridge would make it a much bigger force in this area in the UK. In addition, it would bring with it a number of interesting products, notably in diesel components.

Tarmac

Tarmac's annual report confirms that despite the hazy year it has been through with its boardroom upheavals, difficulties on the contracting side and disengagement from troublesome subsidiaries, the group's finances remain sound. Even before the sale of fixed assets there was a comfortable inflow of cash in 1978, and the group has refinanced most of its overdrafts with medium-term debt.

The balance sheet fatters Tarmac inasmuch as it excludes its exposure to the debt of its Nigerian associate, which it largely guarantees. But even adding this back to the group's debt, net borrowings have fallen to a little over 40 per cent of shareholders' funds from 58 per cent at the previous balance sheet date. The current year may see a little backsliding, but overall earnings should not go significantly higher. The chairman's statement talks about an "exciting

future" but the group's immediate concern will be in ensuring that the future is, in some ways at least, not as exciting as the recent past.

Whitbread

For Whitbread the departing Labour Government has left a final burden in the shape of the cost—estimated at close to £5m—of the Price Commission investigation, with its delays in the implementation of the 3p a pint price rises. The Tories have freed prices, but on the other hand could easily knock the brewer with duty increases on June 12. Still, these are problems for the current year, for the period to February Whitbread continued to perform extremely well, scoring a gain of a quarter to 25.4m—roughly the same as the expected 25.4m in the middle of the expected range.

In the early months Whitbread was recovering from previous strike damage, so the growth rate naturally slowed through the year; moreover by January the company had gone a year without a beer price rise, and the weather was biting into trade. Yet second half pre-tax profits, with the help of an extra week, were still a fifth better which reflects a number of favourable trends. Thus the autumn weather was exceptionally fine and warm, the Christmas trade was buoyant, and while national beer volume growth has been 1 per cent or less, Whitbread has been pushing ahead by some 2 per cent, spearheaded by Jager which accounts for nearly a third of volume.

With Whitbread, about to launch two new tongue-twisting lagers, Heidenbräu and Kaltenberg, this summer the group is plainly not going to rest on its Heineken laurels. After an unexciting start, it might be unwise at this stage to project much over £60m pre-tax for the current year. But on the basis that Tory Governments are generally good for brewing shares, a yield of 5.7 per cent at 129p looks sound value.

Special Situations advertisement for Schlesinger's. Includes text about investment opportunities, smaller companies, and recovery stocks. Features an owl logo and contact information for Schlesinger Trust Managers Ltd.

Handwritten signature or stamp at the bottom of the page.